

Return Address:
Northwest FCS - Pasco
9530 Bedford St
Pasco, WA 99301-8377



201710030063

Skagit County Auditor

\$162.00

10/3/2017 Page

1 of

15 1:35PM

GUARDIAN NORTHWEST TITLE CO.

114522

Document 1 Title: Modification of Mortgage

Reference Nos: 201611020010

Additional Reference #s on page: NA

Grantors:

MV Real Estate Holdings LLC

Grantees:

Northwest Farm Credit Services, FLCA

Additional Grantors on page: NA

Additional Grantees on page: NA

Document 2 Title: Modification of Assignment of Leases and Rents

Reference Nos: 201611020010

Additional Reference #s on page: NA

Grantors:

MV Real Estate Holdings LLC

Grantees:

Northwest Farm Credit Services, FLCA

Additional Grantors on page: NA

Additional Grantees on page: NA

Abbreviated Legal Description:

PTN NW, 32-34-04, PTN GOV. LOT 6 & 7, 12-34-03 AND PTN NE NE 13-34-03, E 1/2 & PTN W 1/2 GOV. LOT 1 & 2, 18-34-04

Additional legal is on page: 7-13

Assessor's Property Tax Parcel/Account Numbers:

P29541/340432-2-026-0004, P29385/340432-0-034-0008, P29545/340432-2-029-0001, P29539/340432-2-025-0005, P29527/340432-2-017-0005, P29524/340432-2-015-0007, P29522/340432-2-014-0008, P106106/340432-2-011-0400, P106105/340432-2-011-0300, P21493/340312-0-002-0001, P21495/340312-0-004-0009, P21740/340313-0-058-0003, P26043/340418-0-002-0004 and P26047/340418-0-005-0001

Modification of Mortgage and Assignment of Leases and Rents
(MV Real Estate Holdings LLC/Note Nos. 6230267 & 6235827)

Return Address:

Northwest FCS-Pasco
9530 Bedford St
Pasco, WA 99301-8377

MODIFICATION OF MORTGAGE AND ASSIGNMENT OF LEASES AND RENTS

This Modification of Mortgage and Assignment of Leases and Rents (this "Modification"), dated as of September 21, 2017, is made by and between **MV Real Estate Holdings LLC**, a Limited Liability Company which also appears of record as MV Real Estate Holdings, LLC, a Washington limited liability company ("Mortgagor"), whose address is 1910 Fairview Ave E Ste 500, Seattle, WA 98102, and **Northwest Farm Credit Services, FLCA**, a corporation organized and existing under the laws of the United States ("Mortgagee"), whose address is 2001 South Flint Road, Spokane, WA 99224-9198, P. O. Box 2515, Spokane, WA 99220-2515.

WHEREAS, a Mortgage and Assignment of Leases and Rents, dated September 28, 2016 was executed in favor of Mortgagee, which was recorded on November 2, 2016, under Auditor's File No. 201611020010 in the Official Records of Skagit County, Washington (as modified, amended or restated, the "Mortgage"), covering the land described on the attached Exhibit A;

WHEREAS, Mortgagee has agreed to make an additional loan(s) to be evidenced by that certain Note, dated on or around even date herewith, payable to the order of Mortgagee, in the face principal amount of Six Hundred Sixty-Five Thousand and No/100 Dollars (\$665,000.00) (the "New Note") and the parties wish to acknowledge that the obligations evidenced by the New Note are among the obligations secured by the Mortgage.

WHEREAS, the obligations secured by the Mortgage are now hereby described as follows:

3.1 Secured Obligations. This Mortgage, and the lien it creates, is made for the purpose of securing the following obligations (collectively the "Secured Obligations"):

a. The full and punctual payment of the indebtedness evidenced by that certain note(s) described below, in favor of Mortgagee (the "Note(s)") with interest thereon at the rates therein provided which interest rate and payment terms may be adjusted as provided in the Note(s) and Loan Documents, together with any and all renewals, modifications, consolidations and extensions of the indebtedness evidenced by the Note(s), as well as any prepayment fees provided for in the Note(s) or as it may be amended to provide for such prepayment fees;

Note No.	Date of Note	Principal Amount	Final Installment Date
6230267	September 28, 2016	\$3,000,000.00	November 1, 2023
Note No.	Date of Note	Principal Amount	Final Installment Date
6235827	September 21, 2017	\$665,000.00	October 1, 2032

Modification of Mortgage and Assignment of Leases and Rents
(MV Real Estate Holdings LLC/Note Nos. 6230267 & 6235827)

b. Payment and performance of the obligations under the Note(s) and Loan Documents (including future advances) and under any and all other present and future agreements executed in relation to the Note(s);

c. Payment of such additional sums with interest thereon as may be due to Mortgagee under any provisions of this Mortgage;

d. Payment of all indebtedness and performance of all other obligations which the then record owner of the Collateral may agree to pay and perform for the benefit of Mortgagee, and which are contained in a document which recites that it is secured by this Mortgage;

e. Payment of all amounts advanced by (or on behalf of) Mortgagee to improve, protect or preserve the Collateral or the security of this Mortgage, with interest on such amounts as provided in this Mortgage;

f. Payment and performance of all amendments, modifications, extensions, renewals and replacements of any of the foregoing; and

g. Payment of charges as allowed by law, when such charges are made for any Mortgagee statement or other statement regarding the Secured Obligations.

WHEREAS, the parties have agreed to add the real property in Skagit County, Washington described on Exhibit B hereto and incorporated herein by this reference (the "Additional Collateral") to the property encumbered by the Mortgage.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, receipt of which is hereby acknowledged, and intending to be bound hereby, Mortgagor and Mortgagee now agree to modify the Mortgage as follows.

ARTICLE I AMENDMENTS

1.1 Recitals, References and Definitions.

a. The recitals hereto are incorporated in and made a part of this Modification.

b. All secured indebtedness described in the Mortgage shall be deemed also to include the New Note.

c. All references in the Mortgage to the "Collateral" shall be deemed to include the Additional Collateral.

d. All references in the Mortgage to the "Rents" shall include the rents, issues, profits, royalties, income and other proceeds and similar benefits derived from the Additional Collateral.

e. All references in the Mortgage to the "Mortgage" are deemed to refer to the Mortgage as amended and supplemented by this Modification.

f. All capitalized terms used but not otherwise defined in this Modification shall have the meaning given such terms in the Mortgage.

ARTICLE 2
Supplemental Grant of Security

2.1 Grant of Security. Mortgagor, in consideration of the indebtedness secured by the Mortgage, irrevocably bargains, sells, grants, mortgages, transfers, conveys, assigns and warrants to Mortgagee, for the benefit and security of Mortgagee, all Mortgagor's existing and future rights, titles, interests, estates, powers and privileges in or to the real property described on Exhibit B attached to this Modification and incorporated herein.

2.2 Grant of Security Interest. As security for the payment, performance and observance of the indebtedness secured by the Mortgage, Mortgagor, as debtor, hereby grants to Mortgagee, as secured party, a security interest in all of Mortgagor's existing and future right, title and interest in and to the Collateral related to the Additional Collateral.

2.3 Fixture Filing. This Modification is intended to serve as a Fixture filing covering Fixtures located on the Additional Collateral pursuant to the terms of the applicable Uniform Commercial Code

2.4 Assignment of Rents, Issues and Profits. Mortgagor absolutely, unconditionally and irrevocably bargains, sells, grants, mortgages, transfers, conveys, assigns and warrants to Mortgagee all of its right, title and interest in and to all rents, issues, profits, royalties, income and other proceeds and similar benefits derived from the Additional Collateral (collectively the "Additional Rents"), and gives to Mortgagee the right, power and authority to collect such Additional Rents.

2.5 Supplemental Nature of Grants. The grants and assignments provided by this Article 2 are in addition to and supplemental of and not in substitution for the grants provided by the Mortgage, and nothing herein contained shall affect or impair the lien or priority of the Mortgage as to the indebtedness secured thereby prior to giving effect to this Modification.

ARTICLE 3
MISCELLANEOUS

3.1 Headings. Article and section headings are included in this Modification for convenience of reference only and shall not be used in construing this Modification.

3.2 Severability. Every provision of this Modification is intended to be severable. The illegality, invalidity or unenforceability of any provision of this Modification shall not in any way affect or impair the remaining provisions of this Modification, which provisions shall remain binding and enforceable.

3.3 Successors and Assigns. This Modification applies to, inures to the benefit of and binds all parties to this Modification, their heirs, legatees, devisees, administrators, executors, successors and assigns.

3.4 Counterparts. This Modification 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.

3.5 WAIVER OF JURY TRIAL. MORTGAGOR AND LENDER HEREBY IRREVOCABLY WAIVE ANY RIGHT THEY MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS LOAN DOCUMENT OR ANY OTHER LOAN DOCUMENTS AND ANY FUTURE MODIFICATIONS, AMENDMENTS, EXTENSIONS, RESTATEMENTS AND SERVICING ACTIONS RELATING TO THIS LOAN DOCUMENT AND ANY OTHER LOAN

DOCUMENTS. THE PARTIES INTEND THAT THIS JURY WAIVER WILL BE ENFORCED TO THE MAXIMUM EXTENT ALLOWED BY LAW.

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.

IN WITNESS WHEREOF, Mortgagor and Mortgagee have duly executed this Modification as of the date first above written.

MORTGAGOR:

MV Real Estate Holdings LLC, a Limited Liability Company

By: [Signature]
Brandon D. Baty, Manager

By: [Signature]
Stanley L. Baty, Manager

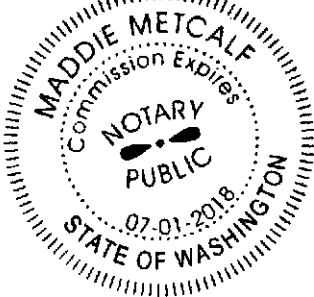
MORTGAGEE:

Northwest Farm Credit Services, FLCA

By _____
Authorized Agent

STATE OF Washington)
)ss.
County of King)

On this 2nd day of October, 2017, before me personally appeared Brandon D. Baty, known to me to be a manager in MV Real Estate Holdings LLC, the limited liability company which executed the within instrument, and acknowledged that he executed the same as such manager and in the limited liability company's name freely and voluntarily.



Maddie Metcalf
Printed name Maddie Metcalf
Notary Public for the State of Washington
Residing at Seattle, WA
My commission expires 07/01/2018

Modification of Mortgage and Assignment of Leases and Rents
(MV Real Estate Holdings LLC/Note Nos. 6230267 & 6235827)

DOCUMENTS. THE PARTIES INTEND THAT THIS JURY WAIVER WILL BE ENFORCED TO THE MAXIMUM EXTENT ALLOWED BY LAW.

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.

IN WITNESS WHEREOF, Mortgagor and Mortgagee have duly executed this Modification as of the date first above written.

MORTGAGOR:

MV Real Estate Holdings LLC, a Limited Liability Company

By: _____
Brandon D. Baty, Manager

By: _____
Stanley L. Baty, Manager

MORTGAGEE:

Northwest Farm Credit Services, FLCA

By 1m Beall
Authorized Agent

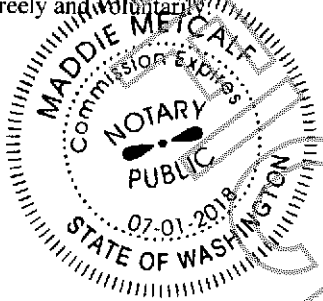
STATE OF _____)
)ss.
County of _____)

On this ____ day of _____, 2017, before me personally appeared Brandon D. Baty, known to me to be a manager in MV Real Estate Holdings LLC, the limited liability company which executed the within instrument, and acknowledged that he executed the same as such manager and in the limited liability company's name freely and voluntarily.

Printed name _____
Notary Public for the State of _____
Residing at _____
My commission expires _____

STATE OF Washington)
)ss.
County of King)

On this 2nd day of October, 2017, before me personally appeared Stanley L. Baty, known to me to be a manager in MV Real Estate Holdings LLC, the limited liability company which executed the within instrument, and acknowledged that he executed the same as such manager and in the limited liability company's name freely and voluntarily.



Maddie Metcalf
Printed name maddie metcalf
Notary Public for the State of Washington
Residing at Seattle, WA
My commission expires 07/01/2018

STATE OF _____)
)ss.
County of _____)

On this _____ day of _____, 2017, before me personally appeared _____, known to me to be an authorized agent of Northwest Farm Credit Services, FLCA, that executed the within instrument, and acknowledged to me that such corporation executed the same as its free act and deed; and on oath stated that he/she was authorized to execute said instrument.

Printed name _____
Notary Public for the State of _____
Residing at _____
My commission expires _____

STATE OF _____)
)ss.
County of _____)

On this _____ day of _____, 2017, before me personally appeared Stanley L. Baty, known to me to be a manager in MV Real Estate Holdings LLC, the limited liability company which executed the within instrument, and acknowledged that he executed the same as such manager and in the limited liability company's name freely and voluntarily.

Printed name _____
Notary Public for the State of _____
Residing at _____
My commission expires _____

STATE OF Washington)
)ss.
County of Franklin)

On this 27th day of September, 2017, before me personally appeared Ken Ballard, known to me to be an authorized agent of Northwest Farm Credit Services, FLCA, that executed the within instrument, and acknowledged to me that such corporation executed the same as its free act and deed; and on oath stated that he/she was authorized to execute said instrument.

Notary Public
Amy P Hill
Comm. Expires
June 26, 2018
State of Washington

Amy P. Hill
Printed name Amy P. Hill
Notary Public for the State of Washington
Residing at Pasco
My commission expires June 26, 2018

**EXHIBIT A
PROPERTY DESCRIPTION**

PARCEL A:

The North 165 feet of the Southwest Quarter of the Northwest Quarter of Section 32, Township 34 North, Range 4 East of the Willamette Meridian;

EXCEPT roads;

AND EXCEPT the South 45 feet of the West 120 feet thereof lying East of the former U.S. Highway 99;

AND ALSO EXCEPT all that portion thereof lying East of a line 295 feet West of Drainage Ditch No. 17.

Situated in Skagit County, Washington

PARCEL B:

That portion of the North 165 feet of the Southwest Quarter of the Northwest Quarter of Section 32, Township 34 North, Range 4 East of the Willamette Meridian, lying East of the drainage ditch of Drainage District No. 17;

EXCEPT that portion of said premises conveyed to the State of Washington for Primary State Highway No. 1, by deed recorded March 12, 1972, under Auditor's File No. 764259, records of Skagit County, Washington.

PARCEL C:

The East 60 feet of that portion of the North 165 feet of the Southwest Quarter of the Northwest Quarter of Section 32, Township 34 North, Range 4 East of the Willamette Meridian, lying West of drainage ditch of Drainage District No. 17.

PARCEL C1:

A non-exclusive easement for ingress and egress over and across the North 16.5 feet of said Southwest Quarter of the Northwest Quarter lying West of a point 60 feet West of aforesaid drainage ditch and East of Old Highway 99.

Situated in Skagit County, Washington.

PARCEL D:

That portion of the Southwest Quarter of the Northwest Quarter of Section 32, Township 34 North, Range 4 East of the Willamette Meridian, described as follows:

Beginning at the intersection of the North line of said subdivision with a point 60 feet West of the West line of the drainage ditch of Drainage District No. 17;

Thence South 165 feet;

Thence West 235 feet;

Thence North 165 feet;

Thence East 235 feet to the point of beginning.

Situated in Skagit County, Washington

PARCEL E:

That portion of the North Half of the South Half of the Northwest Quarter of the Northwest Quarter of Section 32, Township 34 North, Range 4 East of the Willamette Meridian, described as follows:

Beginning at a point on the South line of said North Half of the South Half of the Northwest Quarter of the Northwest Quarter, 30 feet East of the Southwest corner thereof, said point being the East line of the State Highway "99" right of way, as said highway existed on January 7, 1954;

Thence East along the South line of said North Half of the South Half of the Northwest Quarter of the Northwest Quarter, 188 feet;

Thence North parallel with the West line of said subdivision 200 feet;

Thence West 188 feet to the East line of said State Highway right of way;

Thence South along the East line of said highway right of way, 200 feet to the point of beginning;

TOGETHER WITH that portion of the North Half of the South Half of the Northwest Quarter of the Northwest Quarter of Section 32, Township 34 North, Range 4 East of the Willamette Meridian, described as follows:

Beginning a point on the South line of said North Half of the South Half of said Northwest Quarter of the Northwest Quarter, 30 feet East of the Southwest corner thereof, said point being on the East line of the State Highway 99 right of way, as said highway existed on January 7, 1954;

Thence North along the East line of said State Highway right of way, 200 feet;

Thence East 144 feet to the true point of beginning;

Thence continue East 44 feet;

Thence North parallel to the West line of said Northwest Quarter, 8.0 feet;

Thence West 44 feet;

Thence South 8.0 feet to the true point of beginning;

EXCEPT the North 6.13 feet thereof;

AND ALSO TOGETHER WITH the following described parcel:

The South 1.87 feet of the West 144.00 feet of that portion of the North Half of the South Half of the Northwest Quarter of the Northwest Quarter of Section 32, Township 34 North, Range 4 East of the Willamette Meridian, described as follows:

Beginning at a point on the East line of the State Highway, 200 feet North of the South line of said North Half of the South Half of the Northwest Quarter of the Northwest Quarter of said Section 32;

Thence East 144 feet;

Thence North parallel to the West line of said Northwest Quarter of the Northwest Quarter, 8 feet;

Thence East 44 feet, more or less, to a line which is distant 218 feet East of and parallel to the West line of said Northwest Quarter of the Northwest Quarter;

Thence North along said parallel line 122 feet, more or less, to the North line of said North Half of the South Half of the Northwest Quarter of the Northwest Quarter;

Thence West along said North line 188 feet, more or less, to the East line of said State Highway;

Thence South along said East line 130 feet to the point of beginning.

Situated in Skagit County, Washington

PARCEL F:

The North Half of the South Half of the Northwest Quarter of the Northwest Quarter of Section 32, Township 34 North, Range 4 East of the Willamette Meridian;

EXCEPT the West 218 feet thereof;

AND EXCEPT that portion thereof conveyed to the State of Washington for highway purposes by deed dated January 29, 1953 and recorded February 12, 1953, under Auditor's File No. 485836, records of Skagit County, Washington and deed recorded December 21, 1971, under Auditor's File No. 762101, records of Skagit County, Washington;

Situated in Skagit County, Washington

PARCEL G:

The South 330 feet of the Northwest Quarter of the Northwest Quarter of Section 32, Township 34 North, Range 4 East of the Willamette Meridian;

AND EXCEPT Old State Highway 99 along the West line thereof;

AND ALSO EXCEPT that portion conveyed to the State of Washington for Primary State Highway No. 1 along the East line thereof, by deed dated February 3, 1953, recorded March 12, 1953, under Auditor's

File No. 485839, records of Skagit County, Washington;

AND ALSO EXCEPT that portion, if any, lying within the North Half of the South Half of the Northwest Quarter of the Northwest Quarter;

AND ALSO EXCEPT that portion thereof condemned by the State of Washington for highway purposes in Skagit County Superior Court Cause No. 33040.

TOGETHER with that portion per Judgment Quieting Title to Real Property Case No. 09-2-00427-7 as follows:

That portion of the South Half of the South Half of the Northwest Quarter of the Northwest Quarter of Section 32, Township 34 North, Range 4 East, W.M., lying North of the North line of the South 330 feet of said South Half of the South Half, West of the right of way of Interstate Highway 5, and East of the Old Highway 99 County Road: EXCEPT any interest held by Skagit County Drainage District No. 17 as set forth in Skagit County Superior Court Cause No. 5271.

Situated in Skagit County, Washington

PARCEL H:

Lot 2 of SKAGIT COUNTY SHORT PLAT NO. 94-033, approved September 26, 1944 and recorded September 30, 1997, in Volume 11 of Short Plats, pages 121 and 122, under Auditor's File No. 9409300084, records of Skagit County, Washington; being a portion of the North Half of the Northwest Quarter of the Northwest Quarter of Section 32, Township 34 North, Range 4 East of the Willamette Meridian.

Situated in Skagit County, Washington

PARCEL I:

Lot 3 of SKAGIT COUNTY SHORT PLAT NO. 94-033, approved September 26, 1944 and recorded September 30, 1997, in Volume 11 of Short Plats, pages 121 and 122, under Auditor's File No. 9409300084, records of Skagit County, Washington; being a portion of the North Half of the Northwest Quarter of the Northwest Quarter of Section 32, Township 34 North, Range 4 East of the Willamette Meridian.

Situated in Skagit County, Washington

PARCEL J:

Government Lot 7 of Section 12, Township 34 North, Range 3 East of the Willamette Meridian;

EXCEPT the East 40 feet of that portion of the subject property lying within Government Lot 7 in Section 12, Township 34 North, Range 3 East of the Willamette Meridian and as conveyed to Skagit County for

road purposes by deed recorded April 5, 1911, in Volume 83 of Deeds, page 536;

AND ALSO EXCEPT the North 2 acres of the West 10 acres of the remainder.

AND ALSO EXCEPT the manufactured home located thereon.

Situated in Skagit County, Washington

PARCEL K:

That portion of Government Lot 6, Section 12, Township 34 North, Range 3 East of the Willamette Meridian, described as follows:

Beginning at the Southwest corner of said Lot;

Thence North 83°40'02" East 1,193.75 feet along the South line of said Section 12, to a point that is South 83°40'02" West 1,285.18 feet from the Southeast corner of said Section 12 said point being the true point of beginning;

Thence North 0°19'30" West 204.05 feet;

Thence South 88°38'19" East 48.51 feet to the East line of said Lot;

Thence South 0°33'18" West 197.86 feet along said East line to the Southeast corner thereof;

Thence South 83°40'02" West 45.71 feet along said South line to the true point of beginning;

Being a portion of Lot 2, Short Plat No. 79-80, recorded in Volume 5 of Short Plats, page 125, under Skagit County Auditor's File No. 8109110008, records of Skagit County, Washington.

Situated in Skagit County, Washington

PARCEL L:

A tract of land in the Northeast Quarter of the Northeast Quarter of Section 13, Township 34 North, Range 3 East of the Willamette Meridian, described as follows:

Beginning at the Northeast corner of said Section 13;

Thence South 83°31' West along the North line of said Section 13, a distance of 1,273.6 feet, more or less, to the Northwest corner of the Northeast Quarter of the Northeast Quarter of said Section 13;

Thence South along the West line of said Northeast Quarter of the Northeast Quarter, a distance of 160.6 feet;

Thence South 89°33' East, a distance of 1,275 feet, more or less, to the East line of said Section 13;

Thence North along the East line of said Section, a distance of 314.8 feet, more or less, to the point of beginning;

EXCEPT the East 40 feet of that portion of the subject property lying within Section 13, Township 34 North, Range 3 East of the Willamette Meridian, as conveyed to John Krangness by deed recorded April 4, 1924, in Volume 132 of Deeds, page 576;

Situated in Skagit County, Washington

Tax Account Nos.: P29541/340432-2-026-0004, P29385/340432-0-034-0008, P29545/340432-2-029-0001, P29539/340432-2-025-0005, P29527/340432-2-017-0005, P29524/340432-2-015-0007, P29522/340432-2-014-0008, P106106/340432-2-011-0400, P106105/340432-2-011-0300, P21493/340312-0-002-0001, P21495/340312-0-004-0009 and P21740/340313-0-058-0003

Modification of Mortgage and Assignment of Leases and Rents
(MV Real Estate Holdings LLC/Note Nos. 6230267 & 6235827)

EXHIBIT B
ADDITIONAL COLLATERAL DESCRIPTION

The East Half of Government Lots 1 and 2, Section 18, Township 34 North, Range 4 East of the Willamette Meridian;

EXCEPT roads;

TOGETHER WITH that portion of the West Half of Government Lot 1 of Section 18, Township 34 North, Range 4 East of the Willamette Meridian, lying Easterly of a fence line described as follows:

Begin at the Southwest corner of the East 176 feet of the North 224 feet of the West Half of Government Lot 1; Thence along said South line, South 89°29'11" East, a distance of 167.96 feet to a projection of a fence coming from the South and the beginning point of said line referenced in the caption; Thence North along said fence to the South line of the County road right-of-way along the North line of said subdivision, the terminus of this fence line description;

AND TOGETHER WITH that portion of the West Half of Government Lots 1 and 2 of Section 18, Township 34 North, Range 4 East of the Willamette Meridian, lying Easterly of a fence line described as follows:

Begin at the Southwest corner of the East 176 feet of the North 224 feet of the West Half of Government Lot 1; Thence along said South line, South 89°29'11" East, a distance of 167.96 feet to a projection of a fence coming from the South and the beginning point of said line referenced in the caption; Thence along said fence and projection thereof, South 00°52'09" East, a distance of 2,440.34 feet to the South line of said Government Lot 2, and the terminus of this fence line description;

EXCEPT any portion of the above described property lying within the East 176 feet of the North 224 feet of the West Half of said Government Lot 1.

Situated in Skagit County, Washington.

Tax Account Nos.: 340418-0-002-0004 (P26043) and 340418-0-005-0001 (P26047)