



**201806150110**

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Skagit County Auditor

**Return Address:**

Northwest FCS-Pasco  
9915 Saint Thomas Dr.  
Pasco, WA 99301-8094

115533

GUARDIAN NORTHWEST TITLE CO.

<b>Document 1 Title:</b> Mortgage	
<b>Grantors:</b>	<b>Grantees:</b>
Skagit Horticulture LLC M.V. Greenhouse, LLC	Northwest Farm Credit Services, FLCA

<b>Document 2 Title:</b> Fixture Filing	
<b>Grantors:</b>	<b>Grantees:</b>
Skagit Horticulture LLC M.V. Greenhouse, LLC	Northwest Farm Credit Services, FLCA

**Abbreviated Legal Description:**

Portions of Section 13, Township 34 North, Range 3 East, W.M. and of Section 18, Township 34 North, Range 4 East, W.M., Skagit County, WA

Additional legal is on pages: 14-17

**Assessor's Property Tax Parcel/Account Numbers:**

P21747, 340313-0-064-0005, P21748, 340313-0-065-0004, P21812, 340313-1-001-0009, P21813, 340313-1-002-0008, P26052, 340418-0-010-0004, P26219, 340418-0-130-0009, P26048, 340418-0-006-0000, P26049, 340418-0-007-0009, P21674, 340313-0-011-0009, P21767, 340313-0-079-0107, P26046, 340418-2-004-0100, P21741, 340313-1-059-0002, P21743, 340313-1-061-0008, P96270, 340313-0-058-0102, P26046, 340418-2-004-0100, P21741, 340313-1-059-0002, P21743, 340313-1-061-0008, P96270, 340313-0-058-0102  
P21662, 340313-0-001-0001, P21742, 340313-0-060-0009, P21745, 340313-0-062-0007

Mortgage and Fixture Filing  
(Skagit Horticulture LLC/Note No. 6239923)

## Mortgage and Fixture Filing

NOTICE: THE SECURED OBLIGATIONS MAY PROVIDE FOR A VARIABLE INTEREST RATE. THE SECURED OBLIGATIONS MAY REVOLVE IF PROVIDED FOR IN THE LOAN DOCUMENTS. BORROWER MAY BORROW, REPAY AND RE-BORROW LOAN PROCEEDS PURSUANT TO THE NOTE(S), SUBJECT TO THE APPLICABLE TERMS OF THE LOAN DOCUMENTS.

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This Mortgage dated as of June 5, 2018, is executed by **SKAGIT HORTICULTURE LLC**, a Washington limited liability company, that is the successor by merger to Northwest Horticulture, LLC, as their interests appear of record; and **M.V. GREENHOUSE, LLC**, a Washington limited liability company (collectively "Mortgagor"), whose address is 1910 Fairview Avenue E, Suite 500, Seattle, WA 98102, in favor of and for the benefit of **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.

This conveyance is intended to secure performance of the covenants and agreements contained herein, and in any note(s), Membership Agreement, loan agreement, security documents and any other documents or instruments signed in connection with the note(s) and security documents and any amendments (collectively, the "Loan Documents"). Pursuant to the terms and conditions of the Loan Documents, Mortgagor has agreed to grant this Mortgage in favor of Mortgagee to provide security for the Secured Obligations described herein, the related Loan Documents and any and all other documents entered into pursuant thereto.

### 1. GRANT OF SECURITY.

Mortgagor, in consideration of the indebtedness secured by this 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 following (collectively the "Collateral"):

**1.1 Property.** That certain real property located in Skagit County(ies), State of Washington, more particularly described on Exhibit A attached hereto and incorporated herein (the "Land") and including the following:

a. All buildings, wells and other improvements now or hereafter located on the Land, including, but not limited to, the Fixtures (as defined below), timber, if applicable, and all other equipment, machinery, appliances and other articles attached to such buildings and other improvements (collectively the "Improvements");

b. 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 (collectively the "Fixtures") now or hereafter located on, attached to, installed in or used in connection with the Land;

c. All personal property, appliances, equipment and goods now or hereafter owned or possessed by Mortgagor located upon, in, or about or used in connection with said Land or Improvements, including the maintenance thereof, together with all increases, substitutes, replacements, proceeds and products thereof and additions and accessions thereto;

d. All rights, rights-of-way, easements, licenses, profits, claims, demands, privileges, grazing privileges, tenements, hereditaments and appurtenances now owned or hereafter acquired by Mortgagor 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 and all unaccrued trespass and surface damage claims appurtenant thereto, and all written operations plans and all permits and approvals related to the Land and Improvements;

e. All of Mortgagor's right, title and interest in and to any land within any right-of-way of any open or proposed street adjoining the Land, and any and all sidewalks, alleys, strips and gores of land adjacent to or used in connection with the Land and Improvements;

f. All of Mortgagor's existing and future rights in (including without limitation, royalty and leasehold rights) oil, gas and other mineral rights in or relating to the Land;

g. All existing and future leases and subleases relating to the Land and Improvements or any interest in them, including without limitation, all deposits, advance rentals and other similar payments, but not including the Rents, as defined and separately assigned herein;

h. All options to purchase, exchange or lease the Land, Fixtures or Improvements or any interest in them (and any greater estate in the Land, Fixtures or Improvements and acquired by exercise of such options);

i. All contracts and policies of insurance and proceeds thereof which may insure all or any portion of the Collateral against casualties and theft;

j. All Mortgagor's other existing or future estates, homestead or other claims or demands, both in law and in equity in the Land and Improvements, including without limitation, (i) all awards made for the partial or complete taking by eminent domain, or by any proceeding or purchase in lieu of eminent domain, of the Land or Improvements, and (ii) all proceeds, including general intangibles and payment intangibles, of any insurance covering any of the Collateral; and

k. All cash or non-cash proceeds of the sale, lease, license, exchange or other disposition of the Collateral, including accounts and general intangibles arising therefrom. Proceeds include all subsidy payments, in cash or in kind, which may be made to Mortgagor by any person, entity or governmental agency, including but not limited to, payments and entitlements from state and federal farm programs, as well as any type of property insurance; and any rights arising out of Land or Improvements, collections and distributions on Land or Improvements.

**1.2 Water Assets.** All right, title, and interest at any time of Mortgagor (or any of its bailees, agents, or instrumentalities), whether now existing or hereafter arising or acquired, whether direct or indirect, whether owned legally, of record, equitably or beneficially, whether constituting real or personal property (or subject to any other characterizations), whether created or authorized under existing or future laws or regulations, and however arising in, without limitation, the water, water rights and other assets and items more specifically described hereinafter (collectively the "Water Assets"). A description of some Water Assets may also be included with the description of the Land set forth above or in an exhibit hereto.

a. All water (including any water inventory in storage), 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, including but not limited to the following: (i) the groundwater on, under, pumped from or otherwise available to the Land, whether as the result of groundwater rights, contractual rights or otherwise, together with Mortgagor's right to remove and extract any such groundwater including any permits, rights or licenses granted by any governmental authority or agency or any rights granted or created by any use, easement, covenant, agreement, or contract with any person or entity; (ii) any rights to which the Land is entitled with respect to surface water, whether such right is appropriative, riparian, prescriptive, decreed or otherwise and whether or not pursuant to permit or other

governmental authorization, or the right to store any such water; (iii) any water, water right, water allocation, distribution right, delivery right, water storage right, or other water-related entitlement appurtenant or otherwise applicable to the Land by virtue of the Land being situated within the boundaries of any governmental district or agency, or within the boundaries of any private water company, mutual water company, irrigation company, ditch company or other non-governmental entity that owns, stores, diverts and/or delivers water including, any and all stock, interest or other rights Mortgagor has in such entity, including voting or decision rights, and any and all rights from any entity or other person to acquire, receive, exchange, sell, lease, or otherwise transfer any Water Assets, to store, deposit or otherwise create water credits in a water bank or similar or other arrangement for allocating water, to transport or deliver water, or otherwise to deal with any Water Asset; and (iv) all water and existing and future water rights, however evidenced, to the use of water for irrigation, livestock and domestic purposes. References to "water" and "water rights" are used herein in the broadest and most comprehensive sense of the terms. The term "water" includes water rights and rights to water or whatever rights to money, proceeds, property or other benefits are exchanged or received for or on account of any Water Assets or any conservation or other nonuse of water, including whatever rights are achieved by depositing one's share of any Water Assets in any water bank or with any water authority, or any other water reallocation rights.

b. All licenses, permits, approvals, contracts, decrees, rights and interests to acquire or appropriate any Water Assets, water bank or other credits evidencing any right to Water Assets, to store, carry, transport or deliver Water Assets, to sell, lease, exchange, or otherwise transfer any Water Asset, or to change the point for diversion of water, the location of any Water Asset, the place of use of any Water Asset, or the purpose of the use of any Water Asset.

c. All rights, claims, causes of action, judgments, awards, and other judicial, arbiter or administrative relief in any way relating to any Water Asset.

d. All storage and treatment rights for any Water Asset, whether on or off the Land or other property of Mortgagor, together with all storage tanks, and other equipment used or usable in connection with such storage and any water bank deposit credits, deposit accounts or other rights arising on account of the storage or nonuse of any Water Asset.

e. All irrigation and watering equipment, including all pumps, pumping plants, storage tanks, pump motors, electrical generators (all of which are declared to be fixtures), and all systems, ditches, laterals, conduits, and rights-of-way used to convey water or to drain the Land, all of which rights are or are hereby made appurtenant to the Land.

f. All guaranties, warranties, marketing, management or service contracts, indemnity agreements, and water right agreements, including joint use agreements, other water related contracts and water reallocation rights, all insurance policies regarding or relating to any Water Asset.

g. All rents, issues, profits, proceeds and other accounts, instruments, chattel paper, contract rights, general intangibles, deposit accounts and other rights to payment arising from or on account of any use, nonuse, sale, lease transfer or other disposition of any Water Asset.

**2. REPRESENTATIONS AND WARRANTIES.** Mortgagor represents and warrants to Mortgagee as follows:

a. Mortgagor has represented and warranted to Mortgagee the location of Mortgagor's chief executive office; the state of its formation; Mortgagor's state of residence; and Mortgagor's exact legal name is as set forth herein.

b. Mortgagor is the sole legal and equitable owner of the Collateral;

c. Except as otherwise previously disclosed to Mortgagee, Mortgagor has the exclusive right to harvest any timber, if any, from the Land and has the exclusive right to use the appurtenant rights and the operating permits;

d. Without thereby limiting the generality of the foregoing, and except as otherwise previously disclosed to Mortgagee, Mortgagor has not assigned or granted any harvest or access rights or interests, or sold or leased any part of the Land or the Improvements, if any, to any other person (individual, organization or governmental unit);

e. There are no claims, liens, encumbrances (including judgments, levies and the like), or security interests ("Liens") covering the Collateral or any part or item thereof except easements and reservations of record, that are listed on the title policy delivered by Mortgagor;

f. To the best of Mortgagor's knowledge, and other than have been disclosed to Mortgagee, there are no federal, state or local laws, regulations, rules or standards ("Laws"), or permits, orders, injunctions, citations, notices of civil penalty, restraining orders, judgments or the like issued by any governmental unit ("Orders") that are now in effect and that would restrict any material use of the Collateral;

g. Mortgagor has taken all actions necessary and has duly authorized this Mortgage and it is the legally valid and binding contract of Mortgagor, and is enforceable against Mortgagor in accordance with its terms; and

h. To the best of Mortgagor's knowledge, neither the execution of this Mortgage nor the payment and performance of the Secured Obligations will materially violate any Laws or Orders affecting Mortgagor or the Collateral or constitute a breach or Event of Default by Mortgagor under any agreement, contract, loan indenture, lease, instrument or like document to which Mortgagor is a party or the Collateral is bound.

The foregoing representations and warranties will survive and not be merged or otherwise eliminated by any conveyance, voluntarily or through foreclosure, of the Collateral to Mortgagee or its nominee. Mortgagor hereby agrees to indemnify, defend and hold harmless Mortgagee from and against any and all claims, loss, liability, damages, liens, penalties, costs and expenses of any nature or kind whatsoever arising from or related to any misstatement or omission of any material fact in the foregoing representations and warranties.

### 3. SECURED OBLIGATIONS.

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
6239923	June 5, 2018	\$10,000,000.00	June 1, 2028

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;

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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.

**3.2 Separate Indemnities.** Notwithstanding the foregoing, this Mortgage does not secure any separate hazardous materials indemnity or any similar indemnity or indemnities in any of the Loan Documents.

**3.3 Indexing.** Notice is hereby given that the interest rate, payment terms or balance due on the Notes(s) may be indexed, adjusted, renewed or renegotiated.

**3.4 Continuing Validity.** The continuing validity and priority of this Mortgage for future extensions of credit and advances shall not be impaired by the fact that at certain times no outstanding indebtedness to Mortgagee or commitments from Mortgagee to make future extensions of credit or advances exists.

#### **4. COVENANTS.**

**4.1 Maintenance, Repair, Alterations.** Mortgagor shall: keep the Collateral in good condition and repair; complete promptly and in a good and workmanlike manner, any Improvement that may be constructed on the Land, and promptly restore in like manner any Improvement that may be damaged or destroyed, and pay when due all claims for labor performed and materials furnished for such construction or restoration; comply with all Laws and Orders of any court or governmental or regulatory body having jurisdiction over Mortgagor, the Land or Improvements; comply with any condominium or other plan, declaration of covenants, conditions and restrictions, and reciprocal easement agreements to which the Land is subject ("CC&Rs"), any owners' association articles and bylaws affecting the Land, and such exceptions to title as evidenced by a preliminary title report on the date of closing, acceptable to Mortgagee ("Permitted Liens"); keep and maintain abutting grounds, sidewalks, roads, parking and landscape areas in good, neat order and repair; comply with the provisions of any leases constituting part of the Collateral; obtain and maintain in full force and effect all permits necessary for the use, occupancy and operation of the Collateral; and do any and all other acts, except as otherwise prohibited or restricted by the Loan Documents, that may be reasonably necessary to protect or preserve the value of the Collateral and the rights of Mortgagee in it.

Mortgagor shall not, except upon the prior written consent of Mortgagee, which shall not be unreasonably withheld or delayed: remove, demolish or materially alter any of the Improvements, other than to make non-structural repairs in the ordinary course of business, that preserve or increase the value of the Land; commit or permit any waste or deterioration of the Collateral; abandon all or any part of the Collateral or leave the Collateral unprotected, unguarded, vacant or deserted; or initiate, join in or consent to any change in any zoning ordinance, general plan, specific plan, private restrictive covenant or other public or private restriction limiting the uses that may be made of the Land or Improvements by Mortgagor.

**4.2 Insurance.** Keep all material property useful and necessary in its business in reasonably good working order and condition (ordinary wear and tear excepted); maintain with financially sound and reputable insurance companies casualty, liability, and such other insurance (that may include plans of self-insurance) with such coverage and deductibles, and in such amounts as may be consistent with prudent business practice and in any event

consistent with normal industry practice; and furnish to the Mortgagee, upon written request, full information as to the insurance carried.

**4.3 Condemnation and Other Awards.** Mortgagor shall take all actions reasonably required by Mortgagee in connection with condemnation or other taking to defend and protect the interests of Mortgagor, Mortgagee in the Land. Mortgagee shall be entitled to participate in, control and be represented by counsel of its choice in such proceeding. All condemnation proceeds shall first be applied to reimburse Mortgagee for all their reasonable costs and expenses, including reasonable attorneys' fees, incurred in connection with the collection of such award or settlement. The balance of such award or settlement shall be applied by Mortgagee against the Secured Obligations in such order as Mortgagee may determine.

**4.4 Taxes, Assessments and Utilities.** Mortgagor shall pay, prior to delinquency, all of the following: all general and special real property taxes and assessments imposed on the Land; all other taxes, assessments and charges assessed on the Land (or on the owner and/or operator of the Land) that create or may create a lien on the Land (or on any Improvement or Fixture used in connection with the Land); including, without limitation, non-governmental levies and assessments under applicable covenants, conditions and restrictions; and all business taxes.

Mortgagor shall promptly pay all gas, irrigation, electricity, water, sewer and other utility charges incurred for the benefit of the Collateral or that may become a lien against the Collateral; and all other similar public or private assessments and charges relating to the Collateral, regardless of whether or not any such charge is or may become a lien on the Collateral.

**4.5 Liens.** Mortgagor shall not cause, incur or permit to exist any Liens upon all or any part of the Collateral or any interest in the Collateral other than Permitted Liens. Mortgagor shall pay and promptly discharge, at Mortgagor's sole cost and expense, all such Liens.

**4.6 Sale or Lease of Collateral: Due on Sale Clause.** Mortgagor shall not sell, lease, sublease or otherwise transfer all or any part of the Collateral or any interest in it, without the prior written consent of Mortgagee, which consent may be granted or withheld in Mortgagee's sole and absolute discretion. No sale, lease or other transfer shall relieve Mortgagor from primary liability for its obligations under the Loan Documents or relieve any guarantor from any liability under any guaranty. Upon any such transfer to which Mortgagee does not consent, Mortgagee at its option may, without prior notice, declare all Secured Obligations immediately due and payable without presentment, demand, protest or further notice of any kind, and may exercise all rights and remedies provided in this Mortgage, in the other Loan Documents or under applicable law.

**4.7 Inspections and Property Valuations.** Mortgagee authorizes Mortgagee and its agents, representatives and employees, upon reasonable notice to Mortgagor, to enter at any time upon any part of the Collateral for the purpose of inspecting the Collateral. Mortgagor agrees to pay the costs and expenses of Mortgagee incurred in such inspections and examinations, including without limitation, Mortgagee's attorneys' fees, if such inspection was made necessary because of an Event of Default, whether the services are provided by Mortgagee's employees, agents or independent contractors. Any inspection or review by Mortgagee is solely for Mortgagee's benefit to protect Mortgagee's security and preserve Mortgagee's rights under this Mortgage. No inspection by Mortgagee shall constitute a waiver of any Event of Default. Mortgagor shall cooperate in allowing Mortgagee or its agents reasonable access to the Collateral for the purpose of performing any subsequent valuation, whether it is in the form of an appraisal or any other method of valuing the Collateral. Mortgagor shall pay promptly to Mortgagee, on demand, the costs of any such subsequent valuation, whether performed by employees, agents, or independent contractors of Mortgagee.

**4.8 Defense of Actions.** Mortgagor shall notify Mortgagee of any action or proceeding purporting to affect (a) the security of this Mortgage, (b) all or any part of the Collateral or any interest in it, (c) any additional or other security for the Secured Obligations, or (d) the interests, rights, powers or duties of Mortgagee under this Mortgage. Mortgagor, at no cost or expense to Mortgagee, shall appear in and defend the same. If Mortgagee elects to become or is made a party to such action or proceeding, Mortgagor shall indemnify, defend and hold Mortgagee harmless

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from all related liability, damage, cost and expense reasonably incurred by Mortgagee, whether or not such action or proceeding is prosecuted to judgment or decision.

**4.9 Protection of Security.** If Mortgagor fails to make any payment or to do any act required by this Mortgage or any of the other Loan Documents, Mortgagee may do so. Mortgagee may decide to do so, in its own discretion, without obligation to do so, without further notice or demand, and without releasing Mortgagor in such manner and to such extent as it may reasonably deem necessary to protect the security of this Mortgage.

**4.10 Mortgagee's Powers.** If Mortgagor fails to pay any sum, other than principal and interest on the Secured Obligations, or to perform or comply with any other obligation required by any Loan Document, Mortgagee at its election may pay such sum or comply with such obligation. Without affecting the liability of Mortgagor or any other person liable for the payment of any Secured Obligation, and without affecting the lien or charge of this Mortgage, Mortgagee may, from time to time, do any of the following: (a) release any person so liable, (b) release or reconvey all or any part of the Collateral, (c) take or release any other or additional security for any Secured Obligation, or (d) make arrangements with debtors in relation to the Secured Obligations. Waiver by Mortgagee of any right or remedy as to any transaction or occurrence shall not be deemed to be a waiver of any future transaction or occurrence. By accepting full or partial payment or performance of any Secured Obligation after due or after the filing of a notice of default and election to sell, Mortgagee shall not have thereby waived its right to (i) require prompt payment and performance in full, when due, of all other Secured Obligations, (ii) declare a default for failure to so pay or perform, or (iii) proceed with the sale under any notice of default and election to sell previously given by Mortgagee, or as to any unpaid balance of the indebtedness secured by this Mortgage.

**4.11 Reimbursement of Costs, Fees and Expenses: Secured by Mortgage.** Mortgagor shall pay, on demand, to the maximum allowable under applicable law, all reasonable costs, fees, expenses, advances, charges, losses and liabilities paid or incurred by Mortgagee in administering this Mortgage, the collection of the Secured Obligations, and Mortgagee's exercise of any right, power, privilege or remedy under this Mortgage. Fees, costs and expenses of attorneys shall include the reasonable fees and disbursements of Mortgagee's outside and staff counsel and of any experts and agents, and including such fees incurred in the exercise of any remedy (with or without litigation), in any proceeding for the collection of the Secured Obligations, in any foreclosure on any of the Collateral, in protecting the lien or priority of any Loan Document, or in any litigation or controversy connected with the Secured Obligations, including any bankruptcy, receivership, injunction or other proceeding, or any appeal from or petition for review of any such proceeding.

## **5. RENTS, ISSUES AND PROFITS.**

**5.1 Assignment of Rents, Issues and Profits.** Mortgagor absolutely, unconditionally and irrevocably assigns and transfers 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 Collateral (collectively the "Rents"), and gives to Mortgagee the right, power and authority to collect such Rents. Mortgagor irrevocably appoints Mortgagee its true and lawful attorney-in-fact, at the option of Mortgagee, at any time and from time to time, to demand, receive and enforce payment, to give receipts, releases and satisfactions, and or sue, in its name or in Mortgagor's name, for all Rents, and to apply them to the Secured Obligations. Mortgagee hereby grants to Mortgagor a license to collect and retain Rents (but not more than one month in advance unless the written approval of Mortgagee has first been obtained) so long as an Event of Default shall not have occurred and be continuing. The assignment of the Rents is intended to be an absolute assignment from Mortgagor to Mortgagee and not merely the passing of a security interest. This assignment of Rents is intended to be specific, perfected and choate upon recording.

**5.2 Collection Upon Default.** Upon the occurrence of an Event of Default, Mortgagor's license to collect the Rents shall automatically terminate. Upon such termination, Mortgagee may, at any time, either in person, by agent or by a receiver appointed by a court, and without regard to the adequacy of any security for the Secured Obligations, do any of the following: (a) enter upon and take possession of all or any part of the Collateral; (b) with or without taking possession of the Collateral in its own name, sue for or otherwise collect Rents (including those past due and unpaid, and all prepaid Rents and all other security or other deposits paid by tenants to Mortgagor); and

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(c) apply the Rents (less costs and expenses of operation and collection, including, without limitation, attorneys' fees, whether or not suit is brought or prosecuted to judgment) to any Secured Obligation, and in such order as Mortgagee may determine, even if payment or performance of said Secured Obligation may not then be due. Mortgagor agrees that, upon the occurrence of any Event of Default, Mortgagor shall promptly deliver all Rents and security deposits to Mortgagee.

**5.3 Further Assignments.** Upon Mortgagee's demand from time to time, Mortgagor shall execute and deliver to Mortgagee recordable assignments of Mortgagor's interest in any and all leases, subleases, contracts, rights, licenses and permits now or hereafter affecting all or any part of the Land. Mortgagee may, at its option, exercise its rights under this Mortgage or any such specific assignment and such exercise shall not constitute a waiver of any right under this Mortgage or any such specific assignment.

## 6. DEFAULT AND REMEDIES

**6.1 Events of Default.** The occurrence of any of the following events or conditions shall constitute an event of default ("Event of Default") under this Mortgage: Mortgagor fails to pay any amount owing under this Mortgage when due; Mortgagor fails to pay any taxes, insurance premiums, assessments or rents required under this Mortgage; Mortgagor fails to observe or perform any other obligation contained in this Mortgage; the occurrence of an Event of Default under any other Loan Document; all or any portion of the Improvements or Fixtures are destroyed by fire or other casualty and Mortgagor fails to satisfy restoration conditions ; or all or any material part of the Land or other Collateral is condemned, taken in eminent domain, seized or appropriated by any governmental or quasi-governmental agency or entity.

**6.2 Acceleration Upon Default: Additional Remedies.** Upon the occurrence of an Event of Default, Mortgagee may, at its option, exercise all of the applicable rights and remedies set forth herein and in the other Loan Documents and, in addition, declare all Secured Obligations to be immediately due and payable without any presentment, demand, protest or further notice of any kind; and whether or not Mortgagee exercises any said right or remedy. Mortgagee may: (a) either in person or by agent, with or without bringing any action or proceeding, or by a receiver appointed by a court and without regard to the adequacy of its Collateral enter upon and take possession of all or part of the Collateral, in its own name. The entering and taking possession of the Collateral, the collection of Rents and their application to the Secured Obligations shall not cure or waive any Event of Default or notice of default or invalidate any act done in response to them. Regardless of whether possession of the Collateral or the collection, receipt and application of any of the Rents is by Mortgagee or a receiver, Mortgagee shall be entitled to exercise every right provided for in the Loan Agreement and other Loan Documents or by law upon occurrence of any Event of Default, including the right to exercise the power of sale; (b) commence an action to foreclose this Mortgage, appoint a receiver, or specifically enforce any of the covenants contained in this Mortgage; (c) exercise all of the rights and remedies available to a secured party under the applicable Uniform Commercial Code in such order and in such manner as Mortgagee, in its sole discretion, may determine, including without limitation, requiring Mortgagor to assemble the Collateral and make the Collateral available to Mortgagee at a reasonably convenient location. The expenses of retaking, holding, preparing for sale or the like shall include reasonable attorneys' fees and other expenses of Mortgagee and shall be secured by this Mortgage; and/or (d) exercise all other rights and remedies provided in this Mortgage, in any other Loan Document or other document or agreement now or hereafter securing all or any portion of the Secured Obligations, or as provided by law or in equity.

**6.3 Appointment of Receiver.** Upon the occurrence of an Event of Default under this Mortgage, Mortgagee, without notice to Mortgagor, and without regard to the then value of the Collateral or the interest of Mortgagor in it, shall have the right to enter the Land in person or to apply to any court having jurisdiction to appoint a receiver or receivers of the Land, Fixtures or Improvements. Mortgagor irrevocably consents to such appointment and waives notice of any such application. The actions that Mortgagee or such receiver may take in connection with such entry may include, but are not limited to (a) modifying, compromising obligations under, terminating and implementing remedies with respect to any assigned leases or subleases, and (b) entering into, modifying or terminating any contractual arrangements, subject to Mortgagee's right at any time to discontinue any of the same without liability. Mortgagee is further authorized by this provision to request the court to appoint a general receiver and to empower

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the receiver to (i) sell or lease all or any portion of the Land, Fixtures or Improvements, (ii) collect and apply to the outstanding balances of the Secured Obligations all sales or lease proceeds, or hold the proceeds pending a court order approving the receiver's final report and account, and (iii) hold the collections as cash collateral pending such court order or foreclosure sale. Any such receiver(s) shall also have all the usual powers and duties of receivers in similar cases and all the powers and duties of Mortgagee in case of entry as provided in this Mortgage, and shall continue to exercise all such powers until the date of confirmation of sale of the Land, Fixtures or Improvements, unless such receivership is sooner terminated. If Mortgagee elects to enter or take possession of the Land, Fixtures or Improvements, it will not assume any liability to Mortgagor or any other person for operation or maintenance of the Land, Fixtures or Improvements, and Mortgagor expressly waives any such Mortgagee liability.

**6.4 Application of Funds After Default.** Except as otherwise provided in this Mortgage, upon the occurrence of an Event of Default, Mortgagee may at any time, with notice to Mortgagor if providing such notice will not adversely delay the exercise of Mortgagee's rights or remedies, apply to any Secured Obligation, in such manner and order as Mortgagee may elect, even if such Secured Obligation may not yet be due, any amounts received and held by Mortgagee to pay insurance premium or taxes or as Rents, or as insurance or condemnation proceeds, and all other amounts received by Mortgagee from or on account of Mortgagor or the Collateral, or otherwise. The receipt, use or application of any such amounts shall not affect the maturity of any Secured Obligation, any of the rights or powers of Mortgagee under the terms of any Loan Document, or any of the obligations of Mortgagor or any guarantor under any Loan Document; or waive any Event of Default or notice of default under the Loan Documents; or invalidate any act of Mortgagee.

**6.5 Remedies Not Exclusive.** Mortgagee shall be entitled to enforce payment and performance of any Secured Obligation and to exercise all rights and powers under this Mortgage or any other Loan Document or other agreement or any law, even if some or all of the Secured Obligations may be otherwise secured, whether by guaranty, deed of trust, mortgage, pledge, lien, assignment or otherwise. Mortgagee shall be entitled to enforce this Mortgage and any other security for the Secured Obligations held by Mortgagee in such order and manner as it may in its absolute discretion determine. No remedy conferred upon or reserved to Mortgagee is intended to be exclusive of any other remedy in this Mortgage, and other agreement, or at law, but each shall be cumulative and in addition to every other remedy available to Mortgagee. Every power or remedy given by any of the Loan Documents to Mortgagee or to which it may be otherwise entitled, may be exercised, concurrently or independently, from time to time and as often as may be deemed expedient by Mortgagee, and it may pursue inconsistent remedies. Mortgagor may be joined in any action brought by Mortgagee to foreclose under or otherwise enforce this Mortgage.

## 7. MISCELLANEOUS

**7.1 Amendments.** This instrument cannot be waived, modified, discharged or terminated except in writing signed by the party against whom enforcement of such changes is sought.

**7.2 Waivers.** Mortgagor waives, to the extent permitted by law, (a) the benefit of all laws (whenever enacted) providing for any appraisal before sale of any portion of the Collateral, (b) all rights of valuation, appraisal, stay of execution, notice of election to mature or declare due the whole of the Secured Obligations and marshaling in the event of foreclosure of this Mortgage, and (c) all rights and remedies that Mortgagor may have under the laws of the State of Washington regarding the rights and remedies of sureties. Further, Mortgagor hereby waives, to the fullest extent permitted by law, the right to plead, use or assert any statute of limitations as a plea, defense or bar to any Secured Obligation, or to any complaint or other pleading or proceeding filed, instituted or maintained for the purpose of enforcing this Mortgage or any rights under it.

**7.3 Further Assurances.** Mortgagor agrees to do or cause to be done such further acts and things and to execute and deliver or to cause to be executed and delivered such additional assignments, agreements, powers and instruments as Mortgagee may reasonably require to: (a) further evidence, implement or perfect any of Mortgagee's rights, remedies and security interests, (b) correct any defect, error or omission in this Mortgage or the execution or acknowledgment of this Mortgage, (c) subject to the lien of this Mortgage any of Mortgagor's properties covered or intended to be covered by this Mortgage, (d) perfect, maintain and keep valid and effective such lien, (e) carry into

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effect the purposes of this Mortgage, or (f) better assure and confirm to Mortgagee its respective rights, powers and remedies under this Mortgage.

**7.4 Notices.** All notices, demands, approvals and other communications shall be made in writing to the appropriate party at the address set forth in this Mortgage. All such notices shall be made in accordance with the Loan Agreement.

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

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

**7.7 Subrogation.** To the extent that proceeds of the Secured Obligations are used, either directly or indirectly, to pay any outstanding lien, charge or prior encumbrance against the Collateral, Mortgagee shall be subrogated to any and all rights and liens held by any owner or holder of such outstanding liens, charges and prior encumbrances, regardless of whether such liens, charges or encumbrances are released.

**7.8 Governing Law.** This Mortgage shall be governed by, and construed in accordance with, the substantive laws of the State of Washington, except where the location of the Land may require the application of the laws of another state or where federal laws, including the Farm Credit Act of 1971, as amended, may be applicable.

**7.9 Interpretation.** In this Mortgage the singular shall include the plural and the masculine shall include the feminine and the neuter and vice versa, if the context so requires; and the word "person" shall include corporation, partnership or other form of association. Any reference in this Mortgage to any document, instrument or agreement creating or evidencing an obligation secured hereby shall include such document, instrument or agreement both as originally executed and as it may from time to time be modified.

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

**7.11 Security Agreement.** This Mortgage constitutes a security agreement for all purposes under the Uniform Commercial Code in effect in the State(s) where the Mortgagor resides. Mortgagor hereby authorizes Mortgagee to file, at any time, one or more financing statements and any amendments and continuations thereof, describing any personal property or fixtures described herein, without further signature of Mortgagor. In addition to all other rights and remedies provided for in this Mortgage, Mortgagee shall have all of the rights and remedies of a secured party under the Uniform Commercial Code.

**7.12 Counterparts.** 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.

**7.13 Fixture Filing and Financing Statement.** This Mortgage is intended to serve as a Fixture filing covering Fixtures, and if applicable, as a financing statement covering timber as-extracted collateral and timber to be cut pursuant to the terms of the applicable Uniform Commercial Code. This Mortgage is to be recorded in the real estate records of each County in which the Land is located. In that regard, Mortgagor is Debtor and Mortgagee is Secured Party.

**7.14 WAIVER OF JURY TRIAL.** MORTGAGOR HEREBY IRREVOCABLY WAIVES ANY RIGHT IT 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

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ACTIONS RELATING TO THIS LOAN DOCUMENT AND ANY OTHER LOAN DOCUMENTS. IT IS INTENDED 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 has duly executed this Mortgage as of the date first above written.

**MORTGAGOR:**  
**SKAGIT HORTICULTURE LLC**

By: *Daniel R. Baty*  
Daniel R. Baty, Manager

**M.V. GREENHOUSE, LLC**  
By: *Daniel R. Baty*  
Daniel R. Baty, Manager

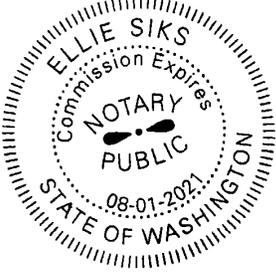
By: B.F., Limited Partnership, Manager  
By: BF Management Stan LLC, General Partner

By: *SL*  
Stanley L. Baty, Manager

By: BF Management Brandon LLC, General Partner  
By: *BD*  
Brandon D. Baty, Manager

STATE OF Washington )  
County of King )ss.

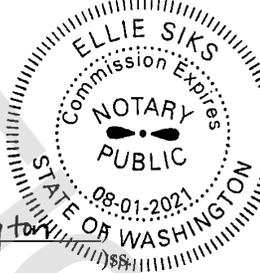
On this 11 day of June, 2018, before me personally appeared Daniel R. Baty, known to me to be a Manager in Skagit Horticulture LLC, the limited liability company which executed the within instrument, and acknowledged that he executed the same as such Manager and in the limited liability company's name freely and voluntarily.



*Ellie Siks*  
Printed name Ellie Siks  
Notary Public for the State of Washington  
Residing at Seattle  
My commission expires 8/1/2021

STATE OF Washington )  
 )ss.  
County of King )

On this 11 day of June, 2018, before me personally appeared Daniel R. Baty, known to me to be a Manager in M.V. Greenhouse, 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.



Ellie Siks  
Printed name Ellie SIKS  
Notary Public for the State of Washington  
Residing at Seattle  
My commission expires 8/1/2021

STATE OF Washington )  
 )ss.  
County of King )

On this 11 day of June, 2018, before me personally appeared Stanley L. Baty, to me known to be a Manager in BF Management Stan LLC, the limited liability company that executed the within instrument as a General Partner of B.F., Limited Partnership, the limited partnership that executed the within instrument as a Manager in M.V. Greenhouse, 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, and on oath stated that he was authorized to execute said instrument in such capacities.



Ellie Siks  
Printed name Ellie SIKS  
Notary Public for the State of Washington  
Residing at Seattle  
My commission expires 8/1/2021

STATE OF Washington )  
 )ss.  
County of King )

On this 11 day of June, 2018, before me personally appeared Brandon D. Baty, to me known to be a Manager in BF Management Brandon LLC, the limited liability company that executed the within instrument as a General Partner of B.F., Limited Partnership, the limited partnership that executed the within instrument as a Manager in M.V. Greenhouse, 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, and on oath stated that he was authorized to execute said instrument in such capacities.



Ellie Siks  
Printed name Ellie SIKS  
Notary Public for the State of Washington  
Residing at Seattle  
My commission expires 8/1/2021

**EXHIBIT A  
PROPERTY DESCRIPTION**

Parcel "A":

A portion of Section 13, Township 34 North, Range 3 East, W.M., and the West 1/2 of Section 18, Township 34 North, Range 4 East, W.M., Skagit County, Washington, described as follows:

Beginning at the North quarter corner of said Section 13, said point being on the North line of Lot 2, of Skagit County Short Plat No. 22-90, recorded in Book 10 of Short Plats, pages 111 and 112; thence along said North line, South 89 degrees 13'02" East, a distance of 850.15 feet to the Northeast corner of said Short Plat; thence along the East line thereof, South 01 degree 15'37" West, a distance of 662.71 feet; thence South 89 degrees 10'15" East, a distance of 1644.26 feet to the East line of said Section 13; thence along said East line, North 00 degrees 57'36" West, a distance of 610.69 feet to an existing fence; thence along said fence, North 88 degrees 52'08" East, a distance of 127.45 feet; thence continuing along said fence and a projection thereof, North 00 degrees 14'01" West, a distance of 326.10 feet to the South line of the North 40 feet of said Section 18; thence along said South line, South 89 degrees 29'11" East, a distance of 360.26 feet to the West line of the East 176 feet of the North 224 feet of the West 1/2 of Government Lot 1 of said Section 18; thence along said West line, South 00 degrees 44'51" East, a distance of 184.04 feet to the South line of said North 224 feet; thence along said South line, South 89 degrees 29'11" East, a distance of 167.96 feet to a projection of a fence coming from the South; thence along said fence and projection thereof, South 00 degrees 52'09" East, a distance of 1266.41 feet; thence North 89 degrees 13'02" West, a distance of 3162.30 feet to an existing fence; thence along said fence and projection thereof, the following six (6) courses and distances:

Thence North 00 degrees 42'21" East, a distance of 463.34 feet; thence South 84 degrees 56'28" West, a distance of 686.87 feet; thence South 10 degrees 59'25" West a distance of 74.47 feet; thence South 84 degrees 24'33" West, a distance of 348.53 feet; thence North 05 degrees 05'12" West, a distance of 87.68 feet; thence North 85 degrees 00'17" West, a distance of 137.38 feet to the East right-of-way line of the County Road; thence along said County Road to the most Westerly corner of said Lot 2 of Short Plat No. 22-90; thence along the Westerly and Northerly boundary of said Lot 2 to the point of beginning; EXCEPT roads and dike right-of-way.

ALSO EXCEPT THEREFROM, any portion thereof lying within the four following described tracts:

1. Those portions along the North line thereof lying within Parcel 5 of those certain premises conveyed to The Krangnes Family Limited Partnership dated November 19, 1996, by Deed recorded January 29, 1997 as Auditor's File No. 9701290028;
2. That portion along the South line thereof lying within those premises conveyed to Gerald Koeffel by Deed recorded February 15, 1963, as Auditors File No. 632197;
3. That portion in the Southwest corner thereof lying within those certain premises conveyed to Theodore C. Hutchinson by Deed recorded January 22, 1990, as Auditor File No. 9001220043, and
4. That portion in the Northeast corner thereof lying within those certain premises conveyed to Elsie Fortin, et al, by Deed recorded July 13, 1998, as Auditor's File No. 9807130095.

Parcel "B":

Those portions of Government Lot 2 of Section 18, Township 34 North, Range 4 East, W.M., and of the Northeast 1/4 of Section 13, Township 34 North, Range 3 East, W.M., described as follows:

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Begin at the intersection of the South line of said Government Lot 2 and the fence line, marking the East line of those certain premises sold to Summersun Greenhouse Company by Real Estate Contract recorded as Auditor's File No. 9709220099, continued South; thence North 00 degrees 44'51" West 554.06 feet to the true point of beginning; thence North 88 degrees 19'23" West, 3096.69 feet, more or less, to a point on the East line of the West 100 feet of the Southwest 1/4 of the Northeast 1/4 of said Section 13; thence North 01 degree 15'37" East along said East line to a point on the North line of said subdivision; thence South 85 degrees 31'33" West along said North line, 100.50 feet to an existing fence line; thence North 00 degrees 42'21" East along said fence line to the Southerlymost Southeast corner of said Summersun premises: thence South 89 degrees 13'02" East along the South line of said Summersun premises; 3162.30 feet to the Southeast corner thereof; thence South 00 degrees 44'51" East along the fence line, marking the East line of said Summersun premises, continued South, a distance of 564.21 feet, more or less, to the true point of beginning.

Parcel "C":

Those portions of Government Lots 2 and 3 of Section 18, Township 34 North, Range 4 East, W.M., and of the East 1/2 of Section 13, Township 34 North, Range 3 East W.M., described as follows:

Begin at the intersection of the South line of said Government Lot 2 and the fence line marking the East line of those certain premises sold to Summersun Greenhouse Company by Real Estate Contract recorded as Auditor's File No. 9709220099, continued South; thence North 00 degrees 44'51" West, 554.06 feet; thence North 88 degrees 19'23" West, 3096.69 feet, more or less, to a point on the East line of the West 100 feet of the Southwest 1/4 of the Northeast 1/4 of said Section 13, said point being the true point of beginning; thence South 88 degrees 19'23" East, 3096.69, more or less, to the above referenced fence line; thence South 00 degrees 44'51" East 554.06 feet, along said fence line to the South line of said Government Lot 2; thence along said South line North 89 degrees 38'59" West, a distance of 231.37 feet; thence South 00 degrees 35'38" East, a distance of 1580.84 feet; thence North 73 degrees 16'10" West to the East line of the West 15 acres of said Government Lot 3; thence North 00 degrees 06'25" West, along said East line to the North line of those certain premises conveyed to Randy Adams by Deed recorded as Auditor's File No. 8504040048; thence North 73 degrees 14'33" West along said North line to the Northwest corner thereof; thence South 00 degrees 06'25" East, 130 feet to the North line of the County Road right-of-way known as the Riverbend Road; thence Northwesterly along said North line to the Southeast corner of that certain tract conveyed to Mathew M. Paul and Wilma Paul by Partial Fulfillment Deed recorded January 16, 1974 under Auditor's File No. 795687; thence North 1 degree 26'30" East along the East line of said Paul Tract, a distance of 415.0 feet to the Northeast corner thereof; thence North 60 degrees 03'23" West along the North line of said Paul Tract, a distance of 91.03 feet to the Northwest corner thereof and the East line of the West 100 feet of Government Lot 6 of said Section 13; thence North 1 degree 26'30" East along the East line of the West 100 feet to the point of beginning.

EXCEPT therefrom the following described:

Beginning at the Southeast corner of the West 100 feet of the Northeast 1/4 of said Section 13; thence North 1 degree 26'30" East along the East line of said West 100 feet, a distance of 486.43 feet; thence North 87 degrees 40'33" East parallel with the South line of the Northeast 1/4 of said Section 13, a distance of 1450.57 feet; thence South 11 degrees 37'55" West, a distance of 877.46 feet; thence South 20 degrees 09'08" East, a distance of 660.48 feet; thence South 19 degrees 09'54" West, a distance of 104.43 feet to the North line of the County Road; thence along the North line of the County Road through the following four courses; North 68 degrees 55'40" West, a distance of 97.55 feet to the point of curvature of a curve to the left having a radius of 5203.50 feet; thence Westerly along said curve through a central angle of 3 degrees 12'32", and an arc distance of 291.42 feet; thence North 72 degrees 08'12" West a distance of 845.63 feet to the point of curvature of a curve to the right having radius of 1333.50 feet; thence Westerly along said curve through a central angle of 11 degrees 18'11", and an arc distance of 263.07 feet to the Southeast corner of that certain tract conveyed to Mathew M. Paul and Wilma Paul by Partial Fulfillment Deed recorded January 16, 1974 under Auditor's File No. 795687; thence North 1 degree 26'30" East along the East line of said Paul Tract, a distance of 415.00 feet to the Northeast corner thereof; thence North 60 degrees 03'23" West along the North line of said Paul Tract, a distance of 91.03 feet to the Northwest corner thereof

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and the East line of the West 100 feet of Government Lot 6 of said Section 13; thence North 1 degree 26'30" East along the East line of the West 100 feet a distance of 76.36 feet to the point of beginning.

Parcel "D":

Those portions of Government Lot 6 and of the Southwest 1/4 of the Northeast 1/4 of Section 13, Township 34 North, Range 3 East, W.M., described as follows:

Beginning at a point on the West line of said subdivision which is 415 feet North of the North line of the County Road commonly known as the Riverbend Road as said road existed on January 16, 1974; thence North along the West line of said subdivision to the Northwest corner of said Southwest 1/4 of the Northeast 1/4; thence East along the North line of said subdivision 100 feet; thence South on a line parallel with the West line of said subdivision to a point which is 415 feet North of the North line of said County Road: thence Westerly to the point of beginning.

Parcel "E":

That portion of Government Lot 1, Section 18, Township 34 North, Range 4 East, W.M., described as follows:

Beginning at a point 40 feet South of the Northwest corner of said Lot 1; thence South, 330 feet along the West line of said Lot 1; thence East, 132 feet; thence North, 330 feet to a point 40 feet South of the North line of said Lot 1; thence West, 132 feet to the point of beginning.

Parcel "F":

The North 1/2 of the North 1/2 of the Northeast 1/4 of Section 13, Township 34 North, Range 3 East, W.M., EXCEPT dike and ditch rights-of-ways, if any, AND EXCEPT the following described tracts:

(1) Beginning at the Northwest corner of the Northeast 1/4 of Section 13, Township 34 North, Range 3 East, W.M.; thence East along the North line of said Northeast 1/4, a distance of 52 rods (858 feet); thence South parallel with the West line of said Northeast 1/4 of the South line of the North 1/2 of the North 1/2 of the Northeast 1/4; thence West parallel with the North line of said Northeast 1/4, 52 rods (858 feet), more or less, to the West line of said Northeast 1/4; thence North along the said West line to the point of beginning; (said tract being that certain tract of land conveyed by E.H. Thompson, et ux, to Alfred Johnson by Deed recorded under Auditor's File No. 103415, in Volume 97 of Deeds, Page 240, records of Skagit County, Washington, said Deed containing an erroneous legal description.)

(2) Beginning at the Northeast corner of Section 13, Township 34 North, Range 3 East, W.M.; thence South 83 degrees 31' West along the North section line, a distance of 1273.6 feet, more or less, to the Northwest corner of the Northeast 1/4 of the Northeast 1/4 of said Section; thence South along the West line of said Northeast 1/4 of the Northeast 1/4, a distance of 160.6 feet; thence South 89 degrees 33' East, 1275 feet, more or less, to the East Section line of said Section 13; thence North along the East Section line to the point of beginning, EXCEPT the East 40 feet thereof.

(3) That portion of the Northwest 1/4 of the Northeast 1/4 of Section 13, Township 34 North, Range 3 East, W.M., described as follows:

Beginning at the Northwest corner of said Northwest 1/4 of the Northeast 1/4; thence North 83 degrees 40' 02" East 1193.75 feet along the North line of said Section 13, to a point that is South 83 degrees 40' 02" West, 1285.18 feet from the Northeast corner of said Section 13; thence South 0 degrees 19' 30" East, 153.92 feet to a point that is South 88 degrees 55' 36" East from the point of beginning; thence North 88 degrees 55' 36" West, 1187.55 feet to the true point of beginning.

## Parcel "G":

All of that portion of the South 1/2 of the North 1/2 of the Northeast 1/4 of Section 13, Township 34 North, Range 3 East, W.M., lying North of the following described line:

Beginning at a point 386 feet, South 0 degrees 40' East of the Northeast corner of the South 60 rods (990 feet) of Lot 1, said Section 13, on the East line of said Lot 1; thence running Eastward North 89 degrees 45' East, 2488 feet, more or less, to the East line of the Northeast 1/4 of said Section 13, EXCEPT that portion thereof lying West of the following described line:

Commencing on the North line of said Section 13, 52 rods (858 feet) East of the centerline thereof and extending Southerly and parallel with the centerline of said Section 13, to a point of intersection with the first line above described.

## Parcel "H":

The East 40 feet of the North 1/2 of the Northeast 1/4 of Section 13, Township 34 North, Range 3 East, W.M., records of Skagit County, Washington;  
EXCEPT that portion thereof conveyed to Skagit County by Deed recorded as Auditor's File No. 9505080057.

All situate in the County of Skagit, State of Washington.

**Assessor's Property Tax Parcel/Account Numbers:**

**P21747, 340313-0-064-0005, P21748, 340313-0-065-0004, P21812, 340313-1-001-0009, P21813, 340313-1-002-0008, P26052, 340418-0-010-0004, P26219, 340418-0-130-0009, P26048, 340418-0-006-0000, P26049, 340418-0-007-0009, P21674, 340313-0-011-0009, P21767, 340313-0-079-0107, P26046, 340418-2-004-0100, P21741, 340313-1-059-0002, P21743, 340313-1-061-0008, P96270, 340313-0-058-0102, P26046, 340418-2-004-0100, P21741, 340313-1-059-0002, P21743, 340313-1-061-0008, P96270, 340313-0-058-0102  
P21662, 340313-0-001-0001, P21742, 340313-0-060-0009, P21745, 340313-0-062-0007**

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