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09/01/2020 03:15 PM Pages: 1 of 6 Fees: \$108.50
Skagit County Auditor

Return Address:

Northwest FCS-Burlington
265 E George Hopper Rd
Burlington, WA 98233

Land Title and Escrow

ACCOMMODATION
RECORDING ONLY

M-22191

Document 1 Title: Severance Agreement	
Reference Nos: _____	
Additional Reference #s on page: _____	
Grantors:	Grantees:
Smith and Morrison Farms, L.L.C.	Northwest Farm Credit Services, PCA

Additional Grantors on page: _____

Additional Grantees on page: _____

Document 2 Title: _____	
Reference Nos: _____	
Additional Reference #s on page: _____	
Grantors:	Grantees:

Additional Grantors on page: _____

Additional Grantees on page: _____

Abbreviated Legal Description:

Ptn of Section 5, Township 33 North, Range 4 EWM, Skagit County, Washington

Additional legal is on page: 5-6

Assessor's Property Tax Parcel/Account Numbers:

P16391

Severance Agreement
(Smith and Morrison Farms, L.L.C./Note No. 6254161)



SEVERANCE AGREEMENT

Dated: August 25, 2020

Between: Smith and Morrison Farms, L.L.C. ("Debtor"),
Smith and Morrison Farms, L.L.C. ("Owner(s) of Real Property"), and
Northwest Farm Credit Services, PCA ("Secured Party").

RECITALS

WHEREAS, the Owner(s) of Real Property hold certain interests in the below-described real property ("Property") and Debtor, as collateral for a financial obligation, has pledged to Secured Party the following described personal property ("Collateral"):

All equipment, machinery, appliances, and tools which are related to or a part of the processing facility together with all replacements, parts, repairs, additions, substitutions, accessions and accessories incorporated therein or affixed or attached thereto and in any and all proceeds of the foregoing, including without limitation, insurance recoveries,

located on the Property more particularly described on Exhibit A attached hereto and made a part hereof.

WHEREAS, it is necessary to clarify the nature of the Collateral as personal property and not as real property, to prevent the Collateral from becoming real property and to clarify the lien position in the Collateral.

NOW, THEREFORE, in consideration of mutual benefits to the parties hereto for the making of such loan, the undersigned parties hereby agree as follows:

1. The Collateral shall remain severed from the Property. Title and ownership of the Collateral shall remain with Debtor.
2. Even if attached to the Property, the Collateral shall retain its personal property character, shall be removable from the Property, shall be treated as personal property with respect to the rights of the parties, and shall not become a fixture or a part of the Property.
3. The Collateral shall not be subject to the lien of any secured transaction or instrument heretofore or hereafter arising against the Property or any other structure in which it is placed.
4. Secured Party, its agents and assigns, shall have full access upon the Property to inspect, repair, rebuild, disassemble, or remove the Collateral without further notice to, further permission of, charge for or obligation to the undersigned, and in the event of default in the payment or performance of any of the obligations and liabilities owed to Secured Party, Secured Party may remove the Collateral or any part thereof from the Property without objection, delay, hindrance or interference by the undersigned and, in such case, the undersigned will make no claim or demand whatsoever against the Collateral. In the event of default in the payment or performance of any of the obligations and liabilities owed to Secured Party, at Secured Party's option, the Collateral may remain upon the Property free of rent or any charge for use and occupancy for a reasonable time thereafter, in order that Secured Party may remove the Collateral. Secured Party shall repair damage to the Property caused by Secured Party's removal of the Collateral.
5. Secured Party, without affecting the validity of this Severance Agreement, may extend, amend or in any way modify the terms of payment or performance of any of the obligations and liabilities owed to Secured Party.

6. Secured Party may sell, transfer, convey or assign its interest in the loan to any other persons or entities and that the terms of this Severance Agreement will remain fully valid, in effect and binding upon Debtor for the benefit of such above-referenced persons or entities.

7. Debtor represents and warrants to Secured Party that the information contained herein is true and complete, and except as described herein, no other person or entity has any interest in the Collateral. Debtor understands and agrees that Secured Party is relying on the information contained herein in making its loan. Debtor shall indemnify and hold Secured Party harmless from all losses, liabilities, damages, costs and expenses, including attorneys' fees, incurred by Secured Party arising out of the breach of the representations and warranties contained herein.

8. Debtor represents and warrants that it is duly authorized to execute, deliver and carry out the terms and provisions of this Severance Agreement and that the individuals signing this Severance Agreement on behalf of Debtor are authorized to do so.

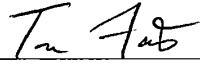
9. In the event of the breach of this Severance Agreement by any party, the prevailing party or if no prevailing party, the party deemed to be substantially prevailing, shall be entitled to recover, in addition to all other rights and remedies, all funds incurred or expended, including reasonable attorneys' fees and expenses, in connection with any action or proceeding, including any bankruptcy or appellate proceedings (whether or not the same be, in fact, actually commenced or prosecuted) to protect or enforce any of the terms, provisions or covenants provided for hereunder.

10. This Severance Agreement shall be binding upon all the undersigned, and inure to the benefit of, their successors and assigns.

11. This Severance Agreement may be recorded and may be executed in counterparts, and all such counterparts shall together count as one and the same instrument. This Severance Agreement shall be construed and governed in accordance with the laws of the State where the Property is located.

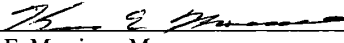
SECURED PARTY:

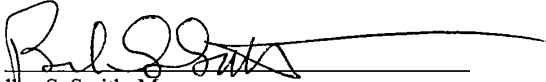
Northwest Farm Credit Services, PCA

By: 
Authorized Agent

DEBTOR/OWNER(S) OF REAL PROPERTY:

Smith and Morrison Farms, L.L.C., a Limited Liability Company

By: 
Keith E. Morrison, Manager

By: 
Bradley S. Smith, Manager

STATE OF WA)
County of Skagit)ss.

On this 31st day of August, 2020, before me personally appeared Trevor Faurett, known to me to be an authorized agent of Northwest Farm Credit Services, PCA, that executed the within instrument, and acknowledged to me that such corporation executed the same as its free act and deed; and on ~~or~~ on ~~the~~ date that he/she was authorized to execute said instrument.



Clara Terelde
Printed name Clara Terelde
Notary Public for the State of WA
Residing at Burlington, WA
My commission expires 6/17/2022

STATE OF Washington)
County of Skagit)ss.

On this 31st day of August, 2020, before me personally appeared Patricia A. Smith, known to me to be a managing member in Smith and Morrison Farms, L.L.C., the limited liability company which executed the within instrument, and acknowledged that he/she executed the same as such managing member and in the limited liability company's name freely and voluntarily.

Keith E. Morrison ^{DP} Km

Dena L Poling
Printed name Dena L Poling
Notary Public for the State of Washington
Residing at Mount Vernon, WA
My commission expires 3-15-2024

STATE OF Washington)
County of Skagit)ss.

On this 31st day of August, 2020 before me personally appeared Darin L. Smith, known to me to be a managing member in Smith and Morrison Farms, L.L.C., the limited liability company which executed the within instrument, and acknowledged that he/she executed the same as such managing member and in the limited liability company's name freely and voluntarily.

Bradley S. Smith ^{DP} BSS

Dena L Poling
Printed name Dena L Poling
Notary Public for the State of Washington
Residing at Mount Vernon, WA
My commission expires 3-15-2024



Exhibit A
Property Description

(55.2900 ac) CU F&A #125 AF#832309 1977: DR 17: DK 3: TAX 7: THE SOUTHWEST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 5, TOWNSHIP 33 NORTH, RANGE 4 EAST, W.M., TOGETHER WITH THAT PORTION OF THE NORTHWEST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 5, TOWNSHIP 33 NORTH, RANGE 4 EAST, W.M., DESCRIBED AS FOLLOWS: BEGINNING AT A POINT ON THE WEST LINE OF SAID SECTION 5 WHICH BEARS NORTH 0-05-37 EAST (CALLED NORTH 1-30-00 EAST ON PREVIOUS DESCRIPTION) A DISTANCE OF 1,120.77 FEET FROM THE SOUTHWEST CORNER OF SAID SECTION 5; THENCE SOUTH 89-54-23 EAST (CALLED SOUTH 88-33-00 EAST ON PREVIOUS DESCRIPTION) FOR A DISTANCE OF 30.00 FEET, MORE OR LESS, TO THE EAST RIGHT OF WAY LINE OF PSH NO. 99, ALSO BEING THE EAST RIGHT-OF-WAY MARGIN OF CEDARDALE ROAD AND ALSO BEING THE SOUTHWEST CORNER OF LOT 2 OF SKAGIT COUNTY SHORT PLAT NO. 93-023, APPROVED OCTOBER 23, 1993 AND RECORDED OCTOBER 26, 1993 UNDER AUDITOR'S FILE NO. 9310260063; THENCE CONTINUE SOUTH 89-54-23 EAST ALONG THE SOUTH LINE OF SAID LOT 2 FOR A DISTANCE OF 208.71 FEET TO THE SOUTHEAST CORNER THEREOF; THENCE NORTH 0-05-37 EAST (CALLED NORTH 1-30-00 EAST ON PREVIOUS DESCRIPTION) ALONG THE EAST LINE OF SAID SHORT PLAT FOR A DISTANCE OF 212.31 FEET, MORE OR LESS, TO THE SOUTH LINE OF SAID NORTHWEST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 5 AND BEING THE TRUE POINT OF BEGINNING; THENCE CONTINUE NORTH 0-05-37 EAST ALONG SAID EAST LINE OR EAST LINE EXTENDED FOR A DISTANCE OF 350.04 FEET; THENCE NORTH 89-14-48 EAST PARALLEL WITH SAID SOUTH LINE OF THE NORTHWEST 1/4 OF THE SOUTHWEST 1/4 FOR A DISTANCE OF 160.00 FEET; THENCE SOUTH 0-05-37 WEST FOR A DISTANCE OF 350.04 FEET, MORE OR LESS, TO SAID SOUTH LINE OF THE NORTHWEST 1/4 OF THE SOUTHWEST 1/4 AT A POINT BEARING NORTH 89-14-48 EAST FROM THE TRUE POINT OF BEGINNING; THENCE SOUTH 89-14-48 WEST ALONG SAID SOUTH LINE FOR A DISTANCE OF 160.00 FEET, MORE OR LESS, TO THE TRUE POINT OF BEGINNING. AND TOGETHER WITH THAT PORTION OF THE NORTHWEST 1/4 OF THE SOUTHWEST 1/4 LYING SOUTHERLY OF THE FOLLOWING DESCRIBED LINE: BEGINNING AT A POINT ON THE WEST LINE OF SAID SECTION 5 WHICH BEARS NORTH 00-05-37 EAST (CALLED NORTH 1-30-00 EAST ON PREVIOUS DESCRIPTION) A DISTANCE OF 1,120.77 FEET FROM THE SOUTHWEST CORNER OF SAID SECTION 5; THENCE SOUTH 89-54-23 EAST (CALLED SOUTH 88-30-00 EAST ON PREVIOUS DESCRIPTION) FOR A DISTANCE OF 30.00 FEET, MORE OR LESS, TO THE EAST RIGHT OF WAY LINE OF PSH NO. 99, ALSO BEING THE EAST RIGHT-OF-WAY MARGIN OF CEDARDALE ROAD AND ALSO BEING THE SOUTHWEST CORNER OF LOT 2 OF SKAGIT COUNTY SHORT PLAT NO. 93-023, APPROVED OCTOBER 23, 1993 AND RECORDED OCTOBER 26, 1993 UNDER AUDITOR'S FILE NO. 9310260063; THENCE CONTINUE SOUTH 89-54-23 EAST ALONG THE SOUTH LINE OF SAID LOT 2 FOR A DISTANCE OF 208.71 FEET TO THE SOUTHEAST CORNER THEREOF; THENCE NORTH 0-05-37 EAST (CALLED NORTH 1-30-00 EAST ON PREVIOUS DESCRIPTION) ALONG THE EAST LINE OF SAID SHORT PLAT FOR A DISTANCE OF 562.35 FEET; THENCE NORTH 89-14-48 EAST PARALLEL WITH THE SOUTH LINE OF SAID NORTHWEST 1/4 OF THE SOUTHWEST 1/4 FOR A DISTANCE OF 51.00 FEET TO THE TRUE POINT OF BEGINNING OF SAID LINE; THENCE NORTH 27-14-29 EAST FOR A DISTANCE OF 117.00 FEET; THENCE NORTH 9-01-29 EAST FOR A DISTANCE OF 133.00 FEET; THENCE NORTH 16-04-41 EAST FOR A DISTANCE OF 130.50 FEET; THENCE NORTH 45-16-38 EAST FOR A DISTANCE OF 141.00 FEET; THENCE NORTH 75-59-05 EAST FOR A DISTANCE OF 161.00 FEET; THENCE SOUTH 76-32-56 EAST FOR A DISTANCE OF 307.50 FEET; THENCE NORTH 84-08-53 EAST FOR A DISTANCE OF 103.00 FEET; THENCE NORTH 67-01-32 EAST FOR A DISTANCE OF 227.12 FEET, MORE OR LESS, TO THE EAST LINE OF SAID NORTHWEST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 5, TOWNSHIP 33 NORTH, RANGE 4 EAST, W.M., AND BEING THE TERMINUS OF SAID LINE. EXCEPT THAT PORTION OF SAID PROPERTY LYING WITHIN THE FOLLOWING DESCRIBED TRACT: BEGINNING AT A POINT ON THE WEST LINE OF SAID SECTION 5 WHICH BEARS NORTH 1-30-00 EAST 1,120.77 FEET FROM THE SOUTHWEST CORNER OF SAID SECTION 5; THENCE SOUTH 88-30-00 EAST A DISTANCE OF 30

FET TO THE EAST RIGHT OF WAY LINE OF PSH NO. 99, SAID POINT BEING THE TRUE POINT OF BEGINNING; THENCE SOUTH 88-30-00 EAST A DISTANCE OF 208.71 FEET; THENCE NORTH 1-30-00 EAST PARALLEL WITH THE WEST LINE OF SAID SECTION, A DISTANCE OF 417.42 FEET; THENCE NORTH 88-30-00 WEST A DISTANCE OF 208.71 FEET TO THE EAST RIGHT OF WAY LINE OF PSH NO. 99; THENCE SOUTH 1-30-00 WEST ALONG SAID EAST RIGHT OF WAY LINE 417.42 FEET TO THE TRUE POINT OF BEGINNING, AND EXCEPT THAT PORTION CONVEYED TO THE STATE OF WASHINGTON BY DEED RECORDED DECEMBER 15, 1971, UNDER AUDITOR'S FILE NO. 761886; AND ALSO EXCEPT ROADS.