



200906090089  
Skagit County Auditor

6/9/2009 Page

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**WHEN RECORDED RETURN TO:**

Carol J. Miller  
16576 Green Lane  
Burlington, WA 98233

LAND TITLE OF SKAGIT COUNTY  
132-799-12

**DOCUMENT TITLE(S):**  
**REAL ESTATE CONTRACT**

**REFERENCE NUMBER(S) OF DOCUMENTS ASSIGNED OR RELEASED:**

**GRANTORS:**

CAROL J. MILLER, as her separate property, and as Personal Representative of the ESTATE OF DAN H. MILLER, deceased, Superior Court of Washington for Skagit County No. 08-4-00212-8

**GRANTEES:**

JAMES N. NELSON, a married man as his separate estate, and NORMAN W. NELSON, a married man, as his separate estate

**ABBREVIATED LEGAL DESCRIPTION:**

Ptn SW 1/4, 21-35-4 E W.M. & Ptn NW 1/4, 28-35-4 E W.M.

**TAX PARCEL NUMBER(S):**

350421-3-006-0008, P37016, 350421-3-007-0007, P37022, 350421-3-006-0503, P37021, 350428-2-003-0006, P37976, 350428-2-004-0005, P37977

## REAL ESTATE CONTRACT

THIS AGREEMENT made this 9<sup>th</sup> day of June, 2009 by and among CAROL J. MILLER, a single person, and CAROL J. MILLER as Personal Representative for the ESTATE OF DAN H. MILLER ("Seller"), and JAMES N. NELSON and NORMAN W. NELSON, JR. ("Buyer").

### WITNESSETH:

That the Seller agrees to sell to the Buyer and the Buyer agrees to purchase from the Seller, upon the terms and conditions hereinafter set forth, the real estate ("property") situated in Skagit County, Washington, legally described on Exhibit "A," attached hereto and incorporated herein by reference, and the farm assets ("assets") situated in Skagit County, Washington, described on Exhibit "B," attached hereto and incorporated herein by reference.

1. **PURCHASE PRICE:** The total purchase price shall be the sum of One Million Three Hundred Thousand Dollars (\$1,300,000) and shall be payable as follows:

a. There shall be paid down a minimum of Seven Hundred Sixty Thousand Dollars (\$760,000), including the earnest money heretofore paid, upon the execution of this contract, receipt of which is hereby acknowledged.

b. The balance of Five Hundred Forty Thousand Dollars (\$540,000) shall be payable in quarterly installments of Sixteen Thousand Eight Hundred Fifty Three and 61/100's Dollars (\$16,853.61) on the 9<sup>th</sup> day of September, December, March and June each year until paid in full.

c. Interest, at the rate of Six percent (6%) per annum, shall commence on June 9<sup>th</sup>, 2009. Each payment shall be applied first to accrued interest and then to principal.

d. Payments shall be made for the account of Seller 16576 Green Lane, Burlington, Washington 98233, or such other place as the Seller shall direct in writing.

e. All payment not made when due under this contract shall thereafter bear interest until paid at a default rate which is the rate then in effect for this contract, plus Six percent (6%) per annum, but not more than the amount allowed by law.

f. Buyer may prepay without penalty all or any portion of the unpaid principal balance of this contract. Any prepayments made under this contract shall not excuse Buyer from making the regular monthly payments due under this contract.

2. **ADVANCES OF ADDITIONAL FUNDS:** In addition to the above

Real Estate



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SKAGIT COUNTY WASHINGTON  
REAL ESTATE EXCISE TAX

1643 Page 1  
JUN 09 2009

Amount Paid \$ 23,145.00  
Skagit Co. Treasurer  
By *[Signature]* Deputy

installment amounts, if, according to the terms of this contract, Seller makes any advances or payments for taxes, insurance, assessments, or otherwise, then such payments shall become due and payable with interest at the default rate from the date demand for repayment is made. If not repaid within 10 days of demand, Buyer shall be deemed in default of this contract.

3. **POSSESSION:** Buyer shall be entitled to possession of said property not later than June 9<sup>th</sup>, 2009. Such possession shall continue so long as the terms of this agreement are fully complied with.

4. **CONDITION OF PREMISES & EQUIPMENT:** The real estate and all equipment and/or fixtures located upon said real estate shall be sold in a "AS IS - WHERE IS" condition. Buyers acknowledge that they have made their own inspection of the premises and equipment and rely upon said inspection as to the condition of same and are not relying upon any representations heretofore made by the Seller or any of his agents. There is no warranty or guarantee as to the condition of the premises or any equipment or fixtures on the real estate either express or implied nor is there any guarantee that the same is fit for the particular use to which the Buyer will make of same. Buyers acknowledge that accepting the premises and equipment in a "AS IS - WHERE IS" condition was expressly part of the negotiations in establishing the purchase price and other terms of this contract. The parties also acknowledge that this contract constitutes the only agreement between them and that no warranties, agreements, or representations have been made or shall be binding upon either of the parties unless set forth herein.

5. **TAXES AND ASSESSMENTS:** Buyer shall pay all taxes and assessments from the date hereof as assessed and levied against said property hereafter, unless otherwise specified herein.

a. All real property taxes and all governmental and other assessments levied against said property for the current tax year shall be prorated between Seller and Buyer on a calendar year basis as of the date of execution of this contract. Thereafter, Buyer assumes and agrees to pay before delinquent all taxes and assessments that may, as between Seller and Buyer, become a lien on said property until the principal and interest under this contract are paid in full. Should Buyer fail to make any payments as provided in this paragraph, then Seller, may, at his option, make such payment.

b. Not later than May 15<sup>th</sup> and November 15<sup>th</sup> of each year, Buyer shall provide Seller with written evidence that taxes and assessments have been paid for said year.

c. In the event the farm use classification now affecting said property for real property tax purposes is lost, and reassessment thereby occurs, the additional taxes plus any interest and penalties accruing and imposed shall be the sole responsibility of the Buyer, even though the assessment period may predate this contract.



6. **INSURANCE:** Buyer assumes all risks of loss or damage to the buildings and/or improvements on said property by fire, act(s) of God, lawful condemnation, or any other cause and agrees to make the payments herein described as they severally become due, notwithstanding any loss that may occur. Buyer further covenants and agrees to procure and maintain insurance as follows:

a. Buyer shall provide and maintain insurance, against loss or damage by fire or other such risks, on the dwelling, outbuildings, or other improvements located on said property to the full replacement value. Said policy shall be written in such form with such terms and by such insurance companies as are reasonably acceptable to the Seller. Said policy must specifically provide that coverage will not be cancelled without a minimum of ten days written notice to Seller.

b. Any and all insurance policies, as required above, shall specifically name Seller as first loss payee.

c. Buyer shall pay all premiums, and shall deposit with Seller all insurance policies or certificates of insurance and provide receipts showing payment of all premiums.

d. In the event of loss, Buyer shall give immediate notice to Seller. Seller may make proof of loss if Buyer fails to do so within ten days of the casualty.

e. During the term of this contract, Buyer shall maintain public liability and property damage insurance. Such insurance shall cover all risks arising directly or indirectly out of Buyer's activities on said property, whether or not related to an occurrence caused or contributed to by Seller's negligence; shall protect Buyer against the claims of Seller on account of the obligations assumed by Buyer and shall protect Seller and Buyer against claims of third persons. Such policies shall be written in such form, with such terms and by such insurance companies reasonably acceptable to Seller. Buyer shall deliver to Seller certificates of coverage from each insurer containing a stipulation that coverage will not be cancelled or diminished without a minimum of ten days written notice to Seller.

7. **DEFENSE OF SECURITY:** Seller may appear in or defend any action or proceeding at law, in equity or in bankruptcy affecting in any way Seller's security in this contract. Buyer agrees to pay within ten days of demand all costs, charges, and expenses incurred in such defense, including costs of evidence of title or validity and priority of the security, and attorneys' fees (including attorney fees on trial or appeal). Such amounts shall bear interest at the default rate from the date demand is made. Failure of Buyer to pay such amounts within ten days from the date of demand shall constitute an event of default under this contract.

8. **EMINENT DOMAIN:** In case any of the premises are taken under eminent



domain or through conveyance executed in lieu of condemnation, the damages paid or consideration received therefore shall be paid to Seller for application on the purchase price. Any excess shall be paid to Buyer.

9. **USE AND CARE OF PREMISES:** Buyer agrees that they will neither use nor permit the said premises to be used for any unlawful or objectionable purpose; that they will at their own expense keep all fences, and other improvements, if any, upon said premises in good repair; and that they will not permit nor suffer waste to be committed on said premises; that Buyer will not remove trees or remove any property from the premises without the written consent of Seller.

10. **INDEMNIFICATION AND HOLD HARMLESS:** The Buyer shall and hereby covenants and agrees to indemnify and hold the Seller harmless from any losses, damages, costs, claims and liabilities, including attorneys fees, caused by any negligent, reckless or intentional act of or negligent or reckless failure to act by the Buyer or any of their agents, servants, employees, independent contractors, invites or licensees on, about, or with respect to the property, and for any breach of this contract by the Buyer or any of such persons, and this covenant of indemnification shall survive the delivery of the Seller's deed to the Buyer. Buyer shall defend Seller at Buyer's cost and expense through legal counsel satisfactory to Seller.

11. **SELLER'S REMEDIES:** In the event Buyer is in default under this contract, the Seller may, at its election, take the following courses of action:

a. **Suit for Delinquencies:** The Seller may institute suit for any installment amounts or other sums due and payable under this contract as of the date of the default and for any sums which have been advanced by Seller as of said date pursuant to the provisions of this contract, together with interest on all of said amounts at the default rate from the date each such amount was advanced or due, as the case may be, to and including the date of collection;

b. **Acceleration:** Upon giving the Buyer not less than 15 days written notice of its intent to do so (within which time any monetary default may be cured without regard to the acceleration), and if the default is in the nature of failure to timely pay any principal, interest, insurance premium, tax, or other sum of money required to be paid herein or any failure to obtain any consent of the Seller herein required for a conveyance of the Buyer's title to the property, or if the Buyer commits waste on the property, the Seller may declare the entire unpaid balance of the purchase price, together with accrued interest immediately due and payable and institute suit to collect such amounts, together with any sums advanced by the Seller, pursuant to the provisions of this contract, and together with interest on all of said sums at the default rate from the due date or date of each such advance to and including the date of collection;

c. **Forfeiture and Repossession:** The Seller may cancel and render void all rights, titles and interests of the Buyer and their successors in this contract and in the



property (including all of Buyer's then existing rights, interests and estates therein and timber, crops and improvements thereon) by giving a "Notice of Intent to Forfeit," pursuant to RCW 61.30.040-070, and said cancellation and forfeiture shall become effective if the default therein specified has not been fully cured within 90 days thereafter and the Seller records a "Declaration of Forfeiture," pursuant to RCW 61.30.040-070. Upon the forfeiture of this contract the Seller may retain all payments made hereunder by the Buyer and may take possession of the property 10 days following the date this contract is forfeited and summarily eject the Buyer and any person or person having possession of the said property, by, through or under the Buyer who were properly given the "Notice of Intent to Forfeit" and the "Declaration of Forfeiture." In the event the Buyer or any person or persons claiming by, through or under the Buyer who were properly given the "Notice of Intent to Forfeit" and the "Declaration of Forfeiture" remain in possession of the property more than 10 days after such forfeiture, the Buyer, or such person or persons shall be deemed tenants at will of the Seller and the Seller shall be entitled to institute an action for summary possession of the property, and may recover from the Buyer or such person or persons in any such proceedings the fair rental value of the property for the use thereof from and after the date of forfeiture plus costs, including the Seller's reasonable attorneys' fees;

d. **Specific Performance:** The Seller may institute suit to specifically enforce any of the Buyer's covenants hereunder, and the same may include redress by mandatory or prohibitive injunction;

e. **Appointment of Receiver:** Seller shall be entitled to the appointment of a receiver as a matter of right whether or not the apparent value of said property exceeds the amount of the balance due under this contract, and any receiver appointed may serve without bond. Employment by Seller shall not disqualify a person from serving as a receiver. Upon taking possession of all or any part of said property, the receiver may:

1. Use, operate, manage, control and conduct business on said property and make necessary expenditures for all maintenance and improvements as in his judgment are proper;

2. Collect all rents, revenues, income, issues, and profits from said property and apply such sums to the necessary expenses of use, operation, and management; and

3. At Seller's option, complete any construction in progress on said property, and in that connection pay all bills, borrow funds, employ contractors, and make any changes in plans and specifications as Seller deems appropriate. If the revenues produced by said property are insufficient to pay expenses, the receiver may borrow, from Seller or otherwise, the amounts required for the purposes stated in this paragraph, and repayment of such sums shall be secured by this contract. Amounts borrowed from or advanced by Seller shall be paid by Buyer on demand and shall bear interest at the same rate as the balance of the purchase price under this contract from the date of



expenditure until repaid.

f. **Marshalling:** Buyer expressly waives any legal or equitable rights that Buyer may have with respect to marshalling of assets and this waiver shall be binding upon all parties claiming by or through Buyer and all other parties claiming any interest in said property. Seller may resort for payment to any other security held by Buyer in such order and manner as Seller may elect; and

g. **Consolidation of Debt.** Upon any event of default, Seller shall have the right to consolidate any other debt owed by Buyer to Seller, which debt is secured by the Property and/or the Assets. All such consolidated debt may be added to the balance owed on this contract and any cure by Buyer of such default shall require a simultaneous cure of any and all defaults on such consolidated debt.

For example, if, subsequent to the date of this contract, Seller has loaned funds to Buyer, which funds are secured by the Property, and Buyer defaults under the terms of either this contract or the promissory note for the loan to Buyer, then Seller may proceed with the remedies available to Seller under the promissory note and/or under this contract. In the event that Seller proceeds with forfeiture or other remedies under this contract, then Seller shall have the right to include the amount of the loaned funds, plus all costs and fees in the amount that Buyer is required to pay to cure the forfeiture or other default remedies initiated by Seller under this contract.

h. **Remedies Non-Exclusive:** The remedies above shall be non-exclusive and in addition to any other remedies provided by law or equity.

12. **NOTICE:** Any notice, demand or communication to be given by either party to this contract to the other party shall be in writing and transmitted to the other party by registered or certified mail addressed to said party at their address shown below, provided that either party may change his place of address by notice to the other party as herein provided. The mailing and registering or certifying of any such notice, demand, or communication as herein provided shall be sufficient service thereof. In the event notice of default of any nature is sent by Seller after such default has existed for 15 days or more, Buyer agrees to pay Seller the sum of \$75 in addition to all other demands in said notice, before said forfeiture is released, such amount being a reasonable attorneys' fees and cost of said notice. Any payments coming due during the time that a "Notice of Intent to Forfeit" is in effect shall be automatically included in said "Notice of Intent to Forfeit" and the Buyer must pay said payment or payments in addition to the amounts called for in the notice. Said notice may also be personally served in the form prescribed by law for the service of a summons.

If to Buyers:

JAMES N. NELSON  
16800 Chilberg Avenue  
LaConner, WA 98257

NORMAN W. NELSON, JR.

Real Estate Contract



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Skagit County Auditor

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11141 View Ridge Drive  
Burlington, WA 98233

With a copy to:

CRAIG CAMMOCK  
P.O. Box 336  
Mount Vernon, WA 98273

If to Seller:

CAROL J. MILLER;  
Estate of Dan H. Miller  
16576 Green Lane  
Burlington, WA 98233

With a copy to:

LAWRENCE A. PIRKLE  
321 W. Washington, Suite 300  
Mount Vernon, WA 98273

13. **ATTORNEYS' FEES:** In the event of any dispute between the parties, the prevailing party shall be entitled to recover from the other party costs of litigation reports, reasonable attorneys' fees and necessary costs. In the event of appeal of any court litigation, the prevailing party shall be entitled to reasonable attorneys' fees and costs.

14. **UTILITIES:** The Buyer shall pay for the cost of all electric, power, gas, sewer, water, telephone, cable television, refuse disposal service, and any and all other utilities furnished to or used or consumed in, on, or about the property by the Buyer or by any person following the date of this contract, and Buyer shall contract for the same solely in their own name.

15. **FULFILLMENT DEED:** When full payment has been made under the terms of this contract, Seller agrees to execute and deliver to the Buyer a Special Warranty Deed, warranting only against encumbrances suffered or created by Seller, subject to the servitude, exceptions, provisions, and reservations hereinabove mentioned, free and clear of encumbrances, except all taxes, assessments, and charges herein provided to be paid by Buyer, and except any lien or encumbrances revived or placed on said premises by or through or under Buyer, and except any other encumbrances or defects which the Buyer has assumed.

16. **NON-ASSIGNABILITY OF CONTRACT:** This contract shall not be voluntarily or involuntarily assigned or transferred to or for the benefit of any third party without the written consent of Seller nor shall same be encumbered in any form nor leased without said consent. Any such unauthorized transfer or assignment or encumbrance shall be null and void and shall constitute an event of default under this contract.

17. **CLOSING OFFICE AND COSTS:** This transaction shall be closed by LAND TITLE ESCROW. Closing escrow fees are to be shared equally by Buyers and





Seller. Recording costs for this contract or any short form contract prepared for recording purposes only shall be the obligation of Buyer.

18. **TITLE INSURANCE:** Seller agrees to furnish a standard form Buyer's policy of title insurance issued by LAND TITLE COMPANY OF SKAGIT COUNTY, showing title free of encumbrances or defects except easements, reservations, and restrictions of record and as noted herein. Said policy will be provided at Seller's expense.

19. **SUCCESSION:** This contract shall enure to the benefit and be binding upon the heirs, executors, administrators, successors, and assigns of the parties hereto.

20. **TIME OF PERFORMANCE:** Time is specifically declared to be of the essence of this contract and of all acts required to be done and performed by the parties hereto, including, but not limited to, the proper tender of each of the sums required by the terms hereof to be paid.

21. **REASONABLE ACCESS TO PROPERTY:** Buyer shall allow Seller reasonable access, upon 24-hours notice, to said property to permit inspection and/or appraisal.

22. **SHORT FORM CONTRACT:** The parties agree to execute a Short Form Real Estate Contract for recording purposes only to avoid recording this entire document.

IN WITNESS WHEREOF, the parties hereto have executed this agreement the day and year first above written.

**SELLER:**

*Carol J. Miller*

CAROL J. MILLER

**THE ESTATE OF DAN H. MILLER**

By: *Carol J. Miller P.R.*

CAROL J. MILLER, Personal Representative

**BUYERS:**

*James N. Nelson*  
JAMES N. NELSON

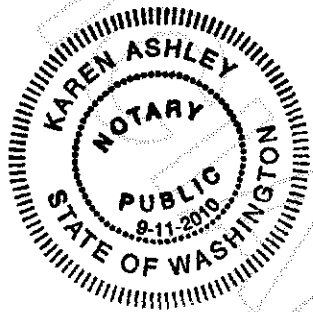
*N. W. Nelson*  
NORMAN W. NELSON, JR.



STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF SKAGIT )

I certify that I know or have satisfactory evidence that CAROL J. MILLER is the person who appeared before me, and said person acknowledged that she signed this instrument and acknowledged it to be her free and voluntary act for the uses and purposes mentioned in the instrument.

DATED this 9th day of June, 2009.



Karen Ashley

(Notary's printed name)

Karen Ashley

NOTARY PUBLIC in and for the  
State of Washington,

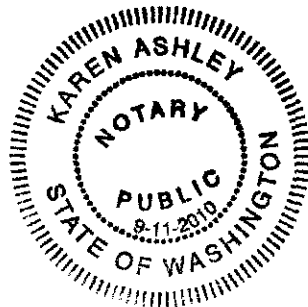
Residing at Sedro-Woolley

My appointment expires: 9/11/2010

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF SKAGIT )

I certify that I know or have satisfactory evidence that CAROL J. MILLER is the person who appeared before me and said person acknowledged that she signed this instrument, on oath stated that she was authorized to execute the instrument and acknowledged it as the Personal Representative of the Estate of DAN H. MILLER to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED this 9th day of June, 2009.



Karen Ashley

(Notary's printed name)

Karen Ashley

NOTARY PUBLIC in and for the  
State of Washington,

Residing at Sedro-Woolley

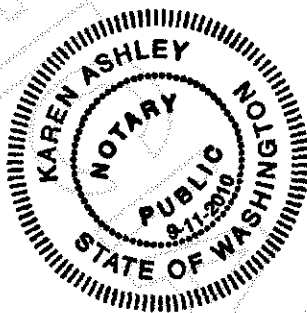
My appointment expires: 9/11/2010



STATE OF WASHINGTON       )  
  ) ss.  
COUNTY OF SKAGIT       )

I certify that I know or have satisfactory evidence that JAMES N. NELSON is the person who appeared before me, and said person acknowledged that he signed this instrument and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in the instrument.

DATED this 9th day of June, 2009.



Karen Ashley

(Notary's printed name)

Karen Ashley

NOTARY PUBLIC in and for the  
State of Washington,

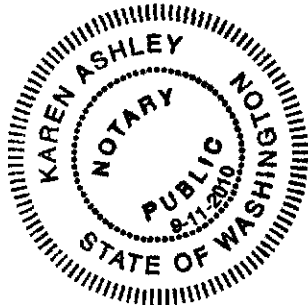
Residing at Sedro-Woolley

My appointment expires: 9/11/2010

STATE OF WASHINGTON       )  
  ) ss.  
COUNTY OF SKAGIT       )

I certify that I know or have satisfactory evidence that NORMAN W. NELSON, JR. is the person who appeared before me, and said person acknowledged that he signed this instrument and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in the instrument.

DATED this 9th day of June, 2009.



Karen Ashley

(Notary's printed name)

Karen Ashley

NOTARY PUBLIC in and for the  
State of Washington,

Residing at Sedro-Woolley

My appointment expires: 9/11/2010



**EXHIBIT "A"**  
**(Legal Description)**

**PARCEL "A":**

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

Situate in the County of Skagit, State of Washington.

**PARCEL "B":**

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

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

The South 500.00 feet of the East 730.00 feet of the Southwest  $\frac{1}{4}$  of the Northwest  $\frac{1}{4}$  of Section 28, Township 35 North, Range 4 East, W.M., EXCEPT the East 30 feet thereof conveyed to Skagit County for road purposes by Deeds dated April 27, 1911 and April 20, 1911, in Volume 85 of Deeds, pages 319 and 321, records of Skagit County, Washington.

SUBJECT TO AND TOGETHER WITH a 30.0 foot wide non-exclusive mutually beneficial easement for ingress, egress and utilities (and the maintenance thereof) over, under and across the South 30.0 feet of the North 130.0 feet of said Northwest  $\frac{1}{4}$  of the Northwest  $\frac{1}{4}$  of Section 28, Township 35 North, Range 4 East, W.M., to access contiguous property to the West in the Northeast  $\frac{1}{4}$  of the Northeast  $\frac{1}{4}$  of Section 29, Township 35 North, Range 4 East, W.M.

Situate in the County of Skagit, State of Washington.

**PARCEL "C":**

The West  $\frac{1}{2}$  of the Southwest  $\frac{1}{4}$  of Section 21, Township 35 North, Range 4 East, W.M.;

EXCEPT the South  $\frac{1}{2}$  of the Southwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  of said Section;



AND EXCEPT the North 25 feet thereof conveyed to Skagit County for road purposes by Deeds recorded under Auditor's File No. 19199, in Volume 28 of Deeds, page 549, and Auditor's File No. 770324, records of Skagit County, Washington;

AND EXCEPT the East 20 feet thereof conveyed to Skagit County for road purposes by deed recorded under Auditor's File No. 79227, in Volume 81 of Deeds, page 53, records of Skagit County, Washington;

AND EXCEPT that portion thereof lying within the North 30 feet of the East 125 feet of the West 1,166.01 feet of said subdivision, as conveyed to Skagit County for road purposes by Deed recorded under Auditor's File No. 890414, records of Skagit county, Washington;

AND ALSO EXCEPT that portion thereof lying within the boundaries of the following described tract:

Tract "A" of Short Plat No. 86-78, approved October 26, 1978 and recorded October 27, 1978, under Auditor's File No. 890223, in Volume 3 of Short Plats, page 35, records of Skagit County, Washington; being a portion of the Northwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  of Section 21, Township 35 North, Range 4 East, W.M., ALSO EXCEPT that portion conveyed to Skagit County for road by Deed recorded September 15, 1999, under Auditor's File No. 199909150102.

(Being a portion of Tract "B" of Revised Short Plat No. 86-78, approved October 26, 1978 and recorded October 27, 1978, under Auditor's File No. 890223.)

Situate in the County of Skagit, State of Washington.



**EXHIBIT "B"**  
**(Farm Assets)**

Improvements and personal property located on the Real Property described on Exhibit "A", including two (2) milk tanks, all other milking parlor/dairy equipment, existing buildings, fences, stalls, gates and manure lagoon with pit pump and agitator.

