

After Recording Return To:

**LAW OFFICE OF BRIAN E. CLARK, INC., P.S.
P.O. BOX 336
MOUNT VERNON, WA 98273**



200107060089

Skagit County Auditor

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MORTGAGE

ORIGINAL

MORTGAGORS: SKAGITONIANS TO PRESERVE FARMLAND

MORTGAGEES: DRALLE, Earl and Janette, husband and wife

Legal Description:

Abbreviated Form: Ptn SW1/4 NW1/4 & W1/2 NW1/4 SE1/4, 1434N03E

Additional Legal: Exhibit "A"

FIRST AMERICAN TITLE CO.

B64708E-3

Assessor's Tax Parcel Nos: P115497 and 340314-1-013-0004 (P21924)

SKAGITONIANS TO PRESERVE FARMLAND (the "Mortgagor"), mortgage to **EARL DRALLE** and **JANETTE DRALLE**, husband and wife (the "Mortgagee"), the following described real estate, situate in the Skagit County, Washington, (the "Premises"):

That certain tract of land listed and described on Exhibit "A" attached hereto and incorporated by this reference as if fully set forth herein,

to secure the payment of the sum of **\$70,000**, with interest thereon, according to the terms of a Promissory Note (the "Note") bearing even date herewith made by Mortgagor payable to Mortgagee, or order, together with any and all modifications, extensions, renewals, and replacements thereof, plus costs and other charges as provided in such Note, plus all sums advanced to protect the security of this Mortgage, together with interest thereon. **The Mortgagor further represents, warrants, covenants and agrees as follows:**

1. Insurance. Mortgagor will keep all improvements on the Premises insured for the protection of Mortgagees for their full replacement cost with such company or companies as Mortgagee may from time to time approve, and to keep the policies therefore properly endorsed on deposit with Mortgagee. Such policy or policies of insurance shall name Mortgagee as an

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additional named insured and first loss payee, and Mortgagor shall provide Mortgagee with certificate(s) of insurance indicating that coverage shall not be changed or cancelled without thirty (30) days prior written notice to Mortgagee. Unless Mortgagor and Mortgagee otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the damaged property, if the restoration or repair is economically feasible and the Mortgagees' security is not lessened. If the restoration or repair is not economically feasible or the Mortgagees' security would be lessened, the insurance proceeds shall be applied to the sums secured by the Mortgage, whether or not then due, with any excess paid to the Mortgagor.

2. Taxes and Assessments. Mortgagor promises and agrees to pay before delinquency, directly to the payee thereof, all taxes, assessments, and other public charges levied, assessed or charged against the Premises.

3. Waste/Hazardous Substances. Mortgagor will farm, cultivate, and care for said Premises in a proper farmlike manner, and will not cause, permit, or suffer waste on the Premises. Notwithstanding any provision of this Mortgage to the contrary, Mortgagor shall not, during the term of this Mortgage, permit the release of any hazardous substance (defined as any hazardous, dangerous, or toxic substance which is regulated under any federal, state, or local statute, ordinance, rule, or regulation now or hereafter in effect) into the environment; provided, however, Mortgagor may use appropriate farm chemicals according to all applicable laws, regulations, and manufacturer's label instructions. Mortgagor will defend, hold harmless and indemnify Mortgagee from and against claims, demands, penalties, fees, liens, damages, losses, expenses, or liabilities resulting from any breach of the foregoing, any cost or expense incurred as a result of hazardous substances being found on the Premises, and any cleanup costs. This indemnity shall survive satisfaction of the Mortgage through foreclosure or otherwise.

4. Indebtedness/Promissory Note. In the event Mortgagor shall fail to pay any installment of principal or interest secured hereby when due, or to keep or perform any covenant or agreement contained herein or in the Note, then the whole indebtedness hereby secured shall forthwith become due and payable at the election of the Mortgagee, all in accordance with the terms and conditions of this Mortgage and the Note.

5. Nonwaiver of Defaults. The entering upon and taking possession of the Premises, the collection of Rents or the proceeds of fire and other insurance policies or compensation or awards for any taking or damage of the Premises, and the application or release thereof as herein provided, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

6. Remedies Cumulative. To the extent permitted by law, every right and remedy provided in this Mortgage is distinct and cumulative to all other rights or remedies under this Mortgage, or afforded by law or equity, or any other agreement between Mortgagee and Mortgagor, and may be exercised concurrently, independently, or successively, in any order whatsoever.



Mortgagee may exercise any of their rights and remedies at their option without regard to the adequacy of their security.

7. Mortgagee's Expenses. Mortgagor will pay all of Mortgagee's reasonable expenses incurred in any efforts to enforce any terms of this Mortgage, whether or not any suit is filed including, without limitation, reasonable legal fees and disbursements, foreclosure costs, and title charges. All such sums, with interest thereon, shall be additional indebtedness of Mortgagor secured by this Mortgage. Such sums shall be immediately due and payable, and shall bear interest from the date of disbursement at the default rate of interest stated in the Note, or the maximum rate which may be collected from Mortgagor under applicable law if that is less.

8. Application of Payments. Except as applicable law or this Mortgage may otherwise provide, all payments received by Mortgagee under the Note or this Mortgage shall be applied by Mortgagee in the following order of priority: (a) Mortgagee's expenses incurred in any efforts to enforce any terms of this Mortgage; (b) interest payable on advances made to protect the security of this Mortgage; (c) principal of such advances; (d) interest and late charges payable on the Note; (e) principal of the Note; and (f) any other sums secured by this Mortgage in such order as Mortgagee, at his option, may determine; provided, however, that Mortgagee may, at his option, apply any such payments received to interest on or principal of the Note prior to applying such payments to interest on and principal of advances made to protect the security of this Mortgage.

9. No Violation of Usury Laws. Interest, fees and charges collected or to be collected in connection with the indebtedness secured hereby shall not exceed the maximum, if any, permitted by any applicable law. If any such law is interpreted so that said interest, fees and/or charges would exceed any such maximum and Mortgagors are entitled to the benefit of such law, then: (a) such interest, fees and/or charges shall be reduced by the amount necessary to reduce the same to the permitted maximum; and (b) any sums already paid to Mortgagees which exceeded the permitted maximum will be refunded. Mortgagee may choose to make the refund either by treating the payments, to the extent of the excess, as prepayments of principal or by making a direct payment to the person(s) entitled thereto. No prepayment premium shall be assessed on prepayments under this paragraph. The provisions of this paragraph shall control over any inconsistent provision of this Mortgage or the Note.

5. Notice. Except as applicable law may otherwise require, all notices and other communications shall be in writing and shall be deemed given when delivered by personal service, or when mailed, certified or registered mail, postage prepaid, addressed to the address specified



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below, three (3) days after such mailing. Any party may at any time change their address for such purposes by delivering or mailing to the other parties hereto as aforesaid a notice of such change.

Mortgagor's Address: P. O. Box 2405
Mount Vernon, WA 98273

Mortgagees' Address:

6. Time. Time is of the essence in connection with all obligations of Mortgagor herein.

DATED this 29th day of June, 2001.

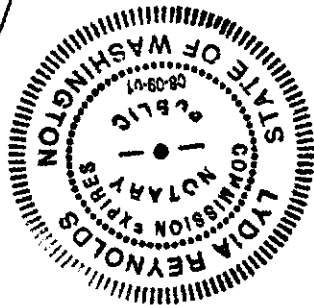
SKAGITONIANS TO PRESERVE FARMLAND

By: Robert Aron
Its: EXECUTIVE DIRECTOR

STATE OF WASHINGTON)
) ss.
COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that Robert Aron is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the Executive Director of Skagitonians to Preserve Farmland to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED: June 29, 2001.



Lydia Reynolds
Notary Public
Print Name Lydia Reynolds
My Commission Expires: 8-9-2001



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THAT PORTION OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 14, TOWNSHIP 34 NORTH, RANGE 3 EAST, W.M., LYING NORTH OF MEMORIAL HIGHWAY, EXCEPT THE FOLLOWING DESCRIBED TRACTS:

(1) BEGINNING AT THE NORTHWEST CORNER OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 14; THENCE EAST ALONG THE NORTH LINE OF SAID NORTHWEST QUARTER OF THE NORTHEAST QUARTER, 16 RODS TO THE CENTER OF A SLOUGH; THENCE SOUTHERLY AND WESTERLY ALONG THE CENTER OF SAID SLOUGH TO A POINT THAT IS 39 RODS SOUTH OF THE POINT OF BEGINNING; THENCE NORTH ALONG THE WEST LINE OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER TO THE POINT OF BEGINNING.

(2) BEGINNING AT THE INTERSECTION OF THE EAST LINE OF SAID NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 14 WITH THE NORTH RIGHT OF WAY LINE OF THE MEMORIAL HIGHWAY (STATE ROAD NO. 1 ANACORTES BRANCH) THROUGH SAID NORTHWEST QUARTER OF THE NORTHEAST QUARTER; THENCE NORTH $52^{\circ}01'$ WEST ALONG THE NORTH LINE OF SAID MEMORIAL HIGHWAY 413.85 FEET; THENCE NORTH $0^{\circ}27'$ EAST PARALLEL TO THE EAST LINE OF SAID NORTHWEST QUARTER OF THE NORTHEAST QUARTER, 272.14 FEET; THENCE SOUTH $89^{\circ}33'$ EAST 328.18 FEET TO THE EAST LINE OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER; THENCE SOUTH $0^{\circ}27'$ WEST ALONG SAID EAST LINE 524.26 FEET TO THE POINT OF BEGINNING.

(3) BEGINNING AT THE NORTHWEST CORNER OF SAID SUBDIVISION; THENCE SOUTH $88^{\circ}20'30''$ EAST ALONG THE NORTH LINE OF SAID SUBDIVISION A DISTANCE OF 1077.75 FEET; THENCE SOUTH $1^{\circ}39'30''$ WEST 30.0 FEET TO THE SOUTH LINE OF THE COUNTY ROAD AND THE TRUE POINT OF BEGINNING; THENCE SOUTH $1^{\circ}39'30''$ WEST A DISTANCE OF 158.00 FEET; THENCE SOUTH $88^{\circ}20'30''$ EAST A DISTANCE OF 110.00 FEET; THENCE NORTH $1^{\circ}39'30''$ EAST A DISTANCE OF 158.00 FEET TO THE SOUTH LINE OF THE COUNTY ROAD; THENCE NORTH $88^{\circ}20'30''$ WEST ALONG SAID ROAD A DISTANCE OF 110.00 FEET TO THE TRUE POINT OF BEGINNING.

(4) BEGINNING AT THE NORTHWEST CORNER OF SAID SUBDIVISION; THENCE SOUTH $88^{\circ}20'30''$ EAST ALONG THE NORTH LINE OF SAID SUBDIVISION A DISTANCE OF 1077.75 FEET; THENCE SOUTH $1^{\circ}39'30''$ WEST 30.0 FEET TO THE SOUTH LINE OF THE COUNTY ROAD; THENCE SOUTH $1^{\circ}39'30''$ WEST A DISTANCE OF 158.00 FEET; THENCE SOUTH $88^{\circ}20'30''$ EAST A DISTANCE OF 110.00 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUE SOUTH $88^{\circ}20'30''$ EAST TO THE EAST LINE OF SAID NORTHWEST QUARTER OF THE NORTHEAST QUARTER; THENCE NORTH ALONG SAID EAST LINE TO THE SOUTH LINE OF THE COUNTY ROAD; THENCE WEST ALONG THE SOUTH LINE OF SAID COUNTY ROAD TO A POINT THAT LIES NORTH $1^{\circ}39'30''$ EAST OF THE TRUE POINT OF BEGINNING; THENCE SOUTH $1^{\circ}39'30''$ WEST TO THE TRUE POINT OF BEGINNING.

SITUATE IN SKAGIT COUNTY, WASHINGTON.

The North 1/2 of the Southwest 1/4 of the Northwest 1/4 and the West 1/2 of the Northwest 1/4 of the Southeast 1/4 of the Northwest 1/4 of Section 14, Township 34 North, Range 3 East, W.M.; EXCEPT Drainage District No. 13 right of way; AND EXCEPT County Road.



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