



200112210148

Skagit County Auditor

12/21/2001 Page 1 of 9 2:15PM

## RETURN TO:

The Nature Conservancy of Washington  
Attn: Steve Karbowski  
217 Pine Street, Suite 1100  
Seattle, Washington 98101

Document Title: Real Estate Mortgage

FIRST AMERICAN TITLE CO.

66109-2

Reference number of documents assigned or released: n/a

Mortgagor: Skagit Land Trust, a Washington non-profit corporation

Mortgagee: The Nature Conservancy, a District of Columbia non-profit corporation

Legal Description: (see full legals attached to as Exhibit A)

Section 18, Township 35, Range 4	Portion SE $\frac{1}{4}$
Section 21, Township 35, Range 5	Portion S $\frac{1}{2}$
Section 28, Township 35, Range 5	Portion W $\frac{1}{2}$ and W $\frac{1}{2}$ - NE $\frac{1}{4}$
Section 29, Township 35, Range 5	Portion SE $\frac{1}{4}$ and S $\frac{1}{2}$ - NE $\frac{1}{4}$
Section 27, Township 35, Range 5	Portion S $\frac{1}{2}$
Section 2, Township 34, Range 4	Portion NW $\frac{1}{4}$ - SW $\frac{1}{4}$
Section 3, Township 34, Range 4	Portion SE $\frac{1}{4}$

Portion Lot 42 "Peavey's Acreage Tract No. 1"

Assessor's Parcel/Tax I.D. Numbers: P36866, P36872, P36867, P36865, P36864  
P40062, P40063, P40071, P40072, P40089,  
P40312, P67927, P40314, P40324, P40325,  
P40327, P40317, P40318, P40349, P40332,  
P40333, P40334, P40270, P40273, P99048,  
P23474 and P23472

**REAL ESTATE MORTGAGE**  
**(Skagit River (Kimberley Clark), WA)**

THIS MORTGAGE, (hereinafter "the Mortgage") is made this \_\_\_\_ day of December, 2001 by and between SKAGIT LAND TRUST, a Washington non-profit corporation, whose address is P.O. Box 1017, 520 S. First Street, Mount Vernon, Washington 98273 ("Mortgagor"), and THE NATURE CONSERVANCY, a District of Columbia non-profit corporation, whose address is 1815 N. Lynn Street, Arlington, Virginia 22209 ("Mortgagee").

**WITNESSETH:**

That in order to secure payment of indebtedness in the sum of EIGHT HUNDRED THOUSAND AND NO/100s DOLLARS (\$800,000.00) principal, lawful money of the United States, Mortgagor hereby grants, bargains, sells, conveys and mortgages to Mortgagee, its successors and assigns forever, real property (hereinafter the "Premises") in Skagit County, Washington, legally described as follows:

See Exhibit A attached hereto and incorporated herein by reference.

Mortgagor shall be entitled to the rents, issues, and profits of said Premises hereby mortgaged unless and until it defaults hereunder. Immediately following a default, Mortgagee shall be entitled to the rents, issues and profits of said real property, and the same are hereby assigned to Mortgagee from and after the date of said default.

This grant is intended to secure a payment of the principal sum of Eight Hundred Thousand Dollars (\$800,000.00) with interest, pursuant to the terms of the Promissory Note of even date (the "Note").

Mortgagor does jointly and severally covenant and agree that said Premises are free and clear of all liens or encumbrances superior to this Mortgage, created or caused to exist by acts or omissions of Mortgagor, and to warrant and defend the same against the lawful claims and demands of all persons whomsoever.

Mortgagor hereby covenants and agrees to pay, before the same becomes delinquent, all taxes and assessments upon said Premises, or this Mortgage, or debt secured thereby, and, upon request of Mortgagee, to exhibit receipts and delivering copies thereof, showing the payment thereof to Mortgagee or its agents within twenty days after such taxes or assessments become due and payable, and in event of default so to do, the holder hereof may pay the same.

In case of the foreclosure hereof, the prevailing party shall receive an award of its reasonable attorney fees and costs, including those incurred on appeal. Said sum shall be a lien upon the Premises. The plaintiff in such suit of foreclosure shall be entitled, with reasonable notice to the Mortgagor and an opportunity for hearing, to the appointment of a receiver to collect and



receive the rents, issues and profits of the mortgaged Premises, and to exercise such other powers as the court shall confer. It is also agreed that should this Mortgage be foreclosed, then in the decree of the foreclosure entered in such action, the Premises described therein may be sold in parts and parcels, or as one lot or parcel, at the option of Mortgagee. In the event of sale on foreclosure of the Mortgage, should the premises sell for less than the sum required to satisfy the entire indebtedness and all costs, the deficiency shall stand as a judgment against the Mortgagor and be collectible in the manner provided by law, and Mortgagor further agrees that the amount for which said premises may sell at foreclosure sale upon lawful notice shall be conclusively deemed in any suit to be the reasonable value of such Premises.

Mortgagor further covenants and agrees to commit or suffer no waste of the Premises.

Mortgagor will not sell or convey the mortgaged Premises, or any part thereof or interest therein, during the life of the Mortgage without first obtaining the written consent of the Mortgagee, which consent may not be unreasonably withheld nor withheld in violation of the following paragraph.

Mortgagor has the right to sell a partial interest (such as a Conservation Easement) or a portion of the Premises in fee and use the proceeds to reduce the amount due under the note in exchange for a mortgage release for the applicable portion of the Premises from the Mortgagee, subject to the following conditions: (1) Mortgagee will provide Mortgagor with partial mortgage release at the closing of the sale of any of the Skiyou Island, Deadman Island, or Gilligan Creek portions of the Premises upon receiving loan repayment in an amount equal to the seller's proceeds (after all closing and settlement costs have been deducted or paid) from the sale of those parcels, or interest therein, up to the amount then due under the note, and in the event that the note is fully paid at that time, then Mortgagee will provide Mortgagor with a mortgage release of the entire mortgage; and (2) Mortgagee will provide Mortgagor with appropriate mortgage releases at closing of the sale of any fee or partial interest in any other portion of the Premises not covered by (1) above upon receiving loan repayment in an amount equal to 50% of the sale price of the interest sold in such parcel.

Any release by Mortgagee of portions of the Premises from the lien of this Mortgage, shall not affect the liability of Mortgagor for the payment of said indebtedness or the lien of this Mortgage upon the remainder of the mortgaged Premises for the full amount of said indebtedness then remaining unpaid.

It is also agreed that the failure to pay when due any sum herein covenanted to be paid, or secured hereby, or the failure to comply with any one or more of the agreements hereof, shall cause the whole debt to become due and collectible at the option of the Mortgagee, PROVIDED HOWEVER, that Mortgagee shall first cause 30 day's written notice to be given to the Mortgagor, by certified mail, with the 30 days to run from the date of sending of the notice, notifying the Mortgagor of the reason for the default, the intent to accelerate, and the requirement for curing the default within the 30 day grace period. In no event, however, shall the Mortgagee be required to



send more than two such notices in any year commencing on January 1, 2002 of each calendar year. All sums paid by the said Mortgagee for insurance, taxes, rents or assessments, abstract charges, as well as any sum otherwise paid in protection of the lien of this Mortgage, shall bear interest from date of such payment at the rate five percent (5%) per annum, and shall be secured hereby.

All notices, demands, or other writings in this Mortgage provide to be given or made or sent, or which may be given or made or sent, by either party hereof to the other, shall be deemed to have been given or made or sent when made in writing and deposited in the United States mail, registered or certified, and postage prepaid and addressed as follows:

Mortgagor: At the address listed above.

Mortgagee: At the address listed above, and to

The Nature Conservancy  
Washington State Field Office  
217 Pine Street, Suite 1100  
Seattle, WA 98101  
Attention: Division Attorney

The address to which any notice, demand, or other writing may be given or made or sent as above-provided may be changed by written notice given by such party as above-provided. Notice hereunder shall be deemed to have been given three business days after the date of the mailing or on the date of actual receipt, whichever is earlier, as herein provided. In the event there shall be more than one person constituting the Mortgagor or Mortgagee herein, service as above-provided, shall be good and sufficient service upon all person constituting such party as though such service had been made upon each and every member of such party.

This Mortgage shall be governed and construed according to the laws of the State of Washington at the date of execution. Venue for any action pursuant to this Mortgage shall be Skagit County Superior Court.

Each and every provision of this Mortgage shall bind and inure to the benefit of the respective, heirs, legal representatives, successors and assigns of the parties hereto.

All Mortgagee's rights and remedies herein specified are intended to be cumulative and not in substitution for any rights or remedy otherwise available.

IN WITNESS WHEREOF, the said Mortgagor has caused this instrument to be executed the date first written above.

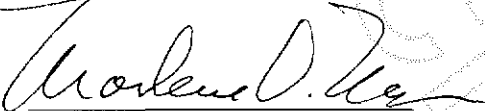
MORTGAGOR:

SKAGIT LAND TRUST

By: 

Andrea Xavier, President

Attest:



Marlene V. Moore, Secretary

STATE OF WASHINGTON )

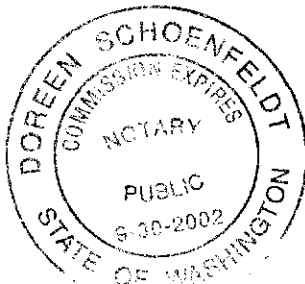
) ss.

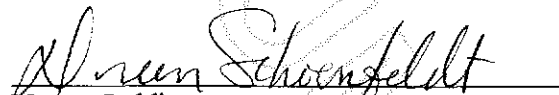
COUNTY OF SKAGIT )

On this 19<sup>th</sup> day of December, 2001, before me, the undersigned, a Notary Public in and for said State, personally appeared Andrea Xavier and Marlene V. Moore known or identified to me as the President and Secretary, respectively, for the Skagit Land Trust, the non-profit corporation that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said non-profit corporation for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute said instrument on behalf of said non-profit corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal on the day and year in this certificate first above written.

[SEAL]



  
Notary Public  
Residing at Sedro Woolley  
My Commission expires on 09-30-02

Printed Name: Doreen Schoenfeldt



Butler Flats:

Parcel "A":

The East 5.5 acres of the West 1/2 of the Southeast 1/4 of Section 18, Township 35 North, Range 4 East, W.M., EXCEPT the South 25 feet thereof as conveyed to Skagit County for road purposes by Deed dated June 11, 1892, and recorded July 16, 1892, under Auditor's File No. 9037, in Volume 23 of Deeds, Page 436, records of Skagit County, Washington.

Parcel "B":

The East 1/2 of the Southeast 1/4 of Section 18, Township 35 North, Range 4 East, W.M., EXCEPT that certain 100 foot wide strip of land conveyed to the State of Washington for State Road No. 1, by Deed dated May 2, 1935, and recorded August 7, 1935, under Auditor's File No. 271688, in Volume 167 of Deeds, Page 567, records of Skagit County, Washington, EXCEPT the South 25 feet thereof as conveyed to Skagit County for road purposes by Deed dated June 11, 1892, and recorded July 16, 1892, under Auditor's File No. 9037, in Volume 23 of Deeds, Page 436, records of Skagit County, Washington.

ALSO EXCEPT that portion thereof lying within the existing as-built County Road right-of-way known as the Green Road, AND ALSO EXCEPT the two following described portions thereof:

1.) Beginning at the intersection of the South line of the Southeast 1/4 with the Westerly line of the County Road known as the Green Road running along the East line of said Southeast 1/4; thence Northerly along the West line of said road, 374.56 feet to the true point of beginning; thence Westerly at right angles to said road, 200 feet; thence Northerly parallel with the West line of said road, 518.6 feet; thence Easterly 200 feet to the West line of said road; thence Southerly along said road, 518.6 feet to the true point of beginning.

2.) Beginning at the intersection of the South line of said subdivision with the Westerly line of the County Road known as Green Road running along the East line thereof; thence Northerly along the West line of said road, 592.36 feet; thence Westerly at right angles to said road, 200 feet to the true point of beginning; thence continuing Westerly at right angles to said road, 30 feet; thence Northerly parallel with the West



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line of said road, 300.8 feet; thence Easterly 30 feet to a point 200 feet West of, when measured at right angles, to said County Road; thence Southerly, 300.8 feet, more or less, to the true point of beginning.

Parcel "C":

The West 1/2 of the Southeast 1/4 of Section 18, Township 35 North, Range 4 East, W.M., EXCEPT the East 5 1/2 acres thereof, EXCEPT County Road commonly known as the Dahlstedt Road along the South line thereof, ALSO EXCEPT that portion thereof lying within that certain tract condemned by the State of Washington for Primary State Highway No. 1 by Decree entered January 24, 1963, in Skagit County Superior Court Cause No. 26648,

ALSO EXCEPT those portions lying within and Southwesterly of the right-of-way of the Seattle and Montana Railway Company as created by Deed recorded on November 30, 1901, in Volume 43 of Deeds, Page 508.

Skiyou Island:

Parcel "E":

The Southeast 1/4 of the Southwest 1/4 and Government Lots 5, 6, 8 and 9, in Section 21, Township 35 North, Range 5 East, W.M.

Parcel "F":

The West 1/2 of the Northeast 1/4; the Northeast 1/4 of the Northwest 1/4 and Government Lots 3, 6 and 7, also Government Lot 10, all in Section 28, Township 35 North, Range 5 East, W.M.

Parcel "G":

That portion of Lot 42, "Peavey's Acreage Tract No. 1", as per plat recorded in Volume 3 of Plats, Page 47, records of Skagit County, Washington, described as follows:

Beginning at the point where the West line of Lot 42, of "Peavey's Acreage Tract No. 1" intersects the South boundary line of Public Road known as the Hoehn Road, and formerly known as the James Young and Sterling Road; thence Northeasterly along the South boundary line of said road, a distance of 250 feet; thence in a Southeasterly direction winding along and down the bank of the Skiyou Slough to the center of said Slough; thence Easterly, 20 feet; thence Northwesterly parallel and 20 feet distance from the said Southeasterly line extending from the Public Road to the center of said Skiyou Slough, to the South boundary line of the said James Young and Sterling Road; thence Westerly along the South boundary line of said road to the place of beginning, all being situated in Government Lot 3, Section 21, Township 35 North, Range 5 East, W.M., Skagit County, Washington.



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End of Exhibit "A"

Deadman Island:

Parcel "H":

Government Lots 5, 11 and 12, in Section 28, Township 35 North, Range 5 East, W.M.

Parcel "I":

The South 1/2 of the Northeast 1/4 and Government Lots 3, 4 and 5, in Section 29, Township 35 North, Range 5 East, W.M.

Gilligan Creek:

Parcel "J":

Lot 2, Short Plat No. 10-90, approved March 16, 1990, recorded March 23, 1990, in Book 9 of Short Plats, Pages 214 and 215, under Auditor's File No. 9003230007, and being a portion of Government Lots 11 and 12, and the South 1/2 of the Southeast 1/4 of Section 27, Township 35 North, Range 5 East, W.M., EXCEPT any portion thereof lying within the former bed and shores of the Skagit River.

TOGETHER WITH an easement for ingress, egress and utilities of the Easterly 40 feet of Lot 1, of said Short Plat No. 10-90, and also over a strip of land 40 feet in width, being 20 feet on either side of the centerline of that certain easement recorded under Auditor's File No. 8311160052, and shown on the face of said Short Plat, EXCEPTING any portion thereof lying in the Easterly 40 feet of said Lot 1.



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**Schedule "C" - continued**

**Commitment No. 00066109**

**Francis Road:**

**Parcel "K":**

Lot 3, of Skagit County Short Plat No. 91-014, approved April 8, 1991, and recorded April 8, 1991, as Auditor's File No. 9104080082, in Volume 9 of Short Plats, Pages 339 and 340, records of Skagit County, Washington, being a portion of the Northwest 1/4 of the Southwest 1/4 of Section 2, and of the Northeast 1/4 of the Southeast 1/4 and the Southwest 1/4 of the Southeast 1/4 of Section 3, all in Township 34 North, Range 4 East, W.M.



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