

RETURN ADDRESS:
Whidbey Island Bank
P.O. Box 1589
Oak Harbor, WA 98277



200502160062
Skagit County Auditor
2/16/2005 Page 1 of 5 11:49AM

CHICAGO TITLE CO.

HAZARDOUS SUBSTANCES CERTIFICATE AND INDEMNITY AGREEMENT

Reference # (if applicable): IC33799 ✓

Additional on page _____

Grantor(s):

1. MINOR, GARY L
2. MINOR, CHERYL K

Grantee(s)

1. Whidbey Island Bank

Legal Description: PTN. LOT 43, PLAT OF THE
BURLINGTON ACREAGE PROPERTY

Additional on page 9

Assessor's Tax Parcel ID#: 3867-000-043-1805, 3867-000-043-1904

THIS HAZARDOUS SUBSTANCES AGREEMENT dated February 11, 2005, is made and executed among and Whidbey Island Bank, Burlington Office, 1800 S. Burlington Ave., P.O. Box 302, Burlington, WA 98233 (referred to below as "Lender").

HAZARDOUS SUBSTANCES AGREEMENT

(Continued)

For good and valuable consideration and to induce Lender to make a Loan to Borrower, each party executing this Agreement hereby represents and agrees with Lender as follows:

PROPERTY DESCRIPTION. The word "Property" as used in this Agreement means the following Real Property located in SKAGIT County, State of Washington:

See EXHIBIT A, which is attached to this Agreement and made a part of this Agreement as if fully set forth herein.

The Real Property or its address is commonly known as 201 LODDEAN DRIVE, BURLINGTON, WA 98233. The Real Property tax identification number is 3867-000-043-1805, 3867-000-043-1904

REPRESENTATIONS. The following representations are made to Lender, subject to disclosures made and accepted by Lender in writing:

No Notices. Indemnitor has received no summons, citation, directive, letter or other communication, written or oral, from any agency or department of any county or state or the U.S. Government concerning any intentional or unintentional action or omission on, under, or about the Property which has resulted in the releasing, spilling, leaking, pumping, pouring, emitting, emptying or dumping of Hazardous Substances into any waters or onto any lands or where damage may have resulted to the lands, waters, fish, shellfish, wildlife, biota, air or other natural resources.

AFFIRMATIVE COVENANTS. Subject to disclosures made and accepted by Lender in writing, Indemnitor covenants with Lender as follows:

Notices. Indemnitor shall immediately notify Lender upon becoming aware of any of the following:

- (1) Any spill, release or disposal of a Hazardous Substance on any of the Property, or in connection with any of its operations, if such spill, release or disposal must be reported to any governmental authority under applicable Environmental Laws.
- (2) Any contamination, or imminent threat of contamination, of the Property by Hazardous Substances, or any violation of Environmental Laws in connection with the Property or the operations conducted on the Property.
- (3) Any order, notice of violation, fine or penalty or other similar action by any governmental authority relating to Hazardous Substances or Environmental Laws and the Property or the operations conducted on the Property.
- (4) Any judicial or administrative investigation or proceeding relating to Hazardous Substances or Environmental Laws and to the Property or the operations conducted on the Property.
- (5) Any matters relating to Hazardous Substances or Environmental Laws that would give a reasonably prudent Lender cause to be concerned that the value of Lender's security interest in the Property may be reduced or threatened or that may impair, or threaten to impair, Indemnitor's ability to perform any of its obligations under this Agreement when such performance is due.

Access to Records. Indemnitor shall deliver to Lender, at Lender's request, copies of any and all documents in Indemnitor's possession or to which it has access relating to Hazardous Substances or Environmental Laws and the Property and the operations conducted on the Property, including without limitation results of laboratory analyses, site assessments or studies, environmental audit reports and other consultants' studies and reports.

PAYMENT: FULL RECOURSE TO INDEMNITOR. Indemnitor intends that Lender shall have full recourse to Indemnitor for Indemnitor's obligations under this Agreement as they become due to Lender. Such liabilities, losses, claims, damages and expenses shall be reimbursable to Lender as Lender's obligations to make payments with respect thereto are incurred, without any requirement of waiting for the ultimate outcome of any litigation, claim or other proceeding, and Indemnitor shall pay such liability, losses, claims, damages and expenses to Lender as so incurred within thirty (30) days after written notice from Lender. Lender's notice shall contain a brief itemization of the amounts incurred to the date of such notice.

SURVIVAL. The covenants contained in this Agreement shall survive (A) the repayment of the indebtedness, (B) any foreclosure, whether judicial or nonjudicial, of the Property, and (C) any delivery of a deed in lieu of foreclosure to Lender or any successor of Lender. The covenants contained in this Agreement shall be for the benefit of Lender and any successor to Lender, as holder of any security interest in the Property or the indebtedness secured thereby, or as owner of the Property following foreclosure or the delivery of a deed in lieu of foreclosure.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Agreement:

Attorneys' Fees; Expenses. If Lender institutes any suit or action to enforce any of the terms of this Agreement, Lender shall be entitled to recover such sum as the court may adjudicate reasonable as attorneys' fees at trial and upon any appeal. Whether or not any court action is involved, and to the extent not prohibited by law, all reasonable expenses Lender incurs that in Lender's opinion are necessary at any time for the protection of its interest or the enforcement of its rights shall become a part of the indebtedness payable on demand and shall bear interest at the Note rate from the date of the expenditure until repaid. Expenses covered by this paragraph include, without limitation, however subject to any limits under applicable law, Lender's attorneys' fees and Lender's legal expenses, whether or not there is a lawsuit, including attorneys' fees and expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services, the cost of searching records, obtaining title reports (including foreclosure reports), surveys, reports, and appraisal fees and title insurance, to the extent permitted by applicable law. Indemnitor also will pay any court costs, in addition to all other sums provided by law.

Governing Law. This Agreement will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Washington without regard to its conflicts of law provisions. This Agreement has been accepted by Lender in the State of Washington.

Choice of Venue. If there is a lawsuit, Indemnitor agrees upon Lender's request to submit to the jurisdiction of the courts of Skagit County, State of Washington. Indemnitor hereby waives notice of acceptance of this Agreement by Lender.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Agreement. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Agreement shall have the meanings attributed to such terms in the Uniform Commercial Code:

The word "Agreement" means this Hazardous Substances Agreement, as this Hazardous Substances Agreement may be amended or modified from time to time, together with all exhibits and schedules attached to this Hazardous Substances Agreement from time to time.

HAZARDOUS SUBSTANCES AGREEMENT
(Continued)

Environmental Laws. The words "Environmental Laws" mean any and all state, federal and local statutes, regulations and ordinances relating to the protection of human health or the environment, including without limitation the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., or other applicable state or federal laws, rules, or regulations adopted pursuant thereto.

Hazardous Substances. The words "Hazardous Substances" mean materials that, because of their quantity, concentration or physical, chemical or infectious characteristics, may cause or pose a present or potential hazard to human health or the environment when improperly used, treated, stored, disposed of, generated, manufactured, transported or otherwise handled. The words "Hazardous Substances" are used in their very broadest sense and include without limitation any and all hazardous or toxic substances, materials or waste as defined by or listed under the Environmental Laws. The term "Hazardous Substances" also includes, without limitation, petroleum and petroleum by-products or any fraction thereof and asbestos.

Indebtedness. The word "Indebtedness" means all principal, interest, and other amounts, costs and expenses payable under the Note or Related Documents, together with all renewals of, extensions of, modifications of, consolidations of and substitutions for the Note or Related Documents and any amounts expended or advanced by Lender to discharge Indemnitor's obligations or expenses incurred by Lender to enforce Indemnitor's obligations under this Agreement, together with interest on such amounts as provided in this Agreement.

Lender. The word "Lender" means Whidbey Island Bank, its successors and assigns.

Property. The word "Property" means all of Indemnitor's right, title and interest in and to all the Property as described in the "Collateral Description" section of this Agreement.

Real Property. The words "Real Property" mean the real property, interests and rights, as further described in this Agreement.

EACH PARTY TO THIS AGREEMENT ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS AGREEMENT, AND EACH AGREES TO ITS TERMS. NO FORMAL ACCEPTANCE BY LENDER IS NECESSARY TO MAKE THIS AGREEMENT EFFECTIVE. THIS AGREEMENT IS DATED FEBRUARY 11, 2005.

BORROWER:

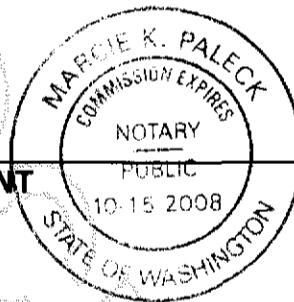
Gary L Minor
Borrower

Cheryl K Minor
Borrower

LENDER:

WHIDBEY ISLAND BANK

X _____
Authorized Signer



INDIVIDUAL ACKNOWLEDGMENT

STATE OF WASHINGTON)
) SS
COUNTY OF SKAGIT)

On this day before me, the undersigned Notary Public, personally appeared GARY L MINOR & CHERYL K MINOR, husband and wife, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) described in and who executed the Hazardous Substances Agreement, and acknowledged that he or she/they signed the Agreement as his or her/their free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 14th day of February, 2005

By Marcie K Paleck
Notary Public in and for the State of WASHINGTON

Residing at Maceant Damm
My commission expires 10/15/08

MARCIE K. PALECK



**HAZARDOUS SUBSTANCES AGREEMENT
(Continued)**

LENDER ACKNOWLEDGMENT

STATE OF _____

COUNTY OF _____

)
) SS
)

On this _____ day of _____, 20____, before me, the undersigned Notary Public, personally appeared _____ and personally known to me or proved to me on the basis of satisfactory evidence to be the _____, authorized agent for the Lender that executed the within and foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of the said Lender, duly authorized by the Lender through its board of directors or otherwise, for the uses and purposes therein mentioned, and on oath stated that he or she is authorized to execute this said instrument and that the seal affixed is the corporate seal of said Lender.

By _____
Notary Public in and for the State of _____
Residing at _____
My commission expires _____

LASER PRO Lending, Ver. 5.25.20.003 Corp. Howard Financial Solutions, Inc. 1997, 2006. All Rights Reserved. - WA MICHILIP10210.FC TR-23451 PR-COMM.LRE



200502160062
Skagit County Auditor

UNOFFICIAL DRAFT

EXHIBIT "A"

PARCEL A:

The West Half of the North Half of the South Half of the East Half of Lot 43, PLAT OF THE BURLINGTON ACREAGE PROPERTY, according to the plat thereof recorded in Volume 1 of Plats, page 49, records of Skagit County, Washington;

EXCEPT that portion conveyed to the City of Burlington by Deed dated January 20, 1958, and recorded September 24, 1958, under Auditor's File No. 585859, records of Skagit County, Washington;

AND EXCEPT that portion described as follows:

Beginning at the Northeast corner of said subdivision;
thence South 02°14'09" West a distance of 67.30 feet;
thence North 88°21'40" West a distance of 311.62 feet, more or less, to the West line of said subdivision;
thence North 02°12'45" East a distance of 68.32 feet;
thence East along the North line of said subdivision to the point of beginning.

Situated in Skagit County, Washington.

PARCEL B:

That portion of the West Half of the North Half of the South Half of the East Half of said Lot 43, PLAT OF THE BURLINGTON ACREAGE PROPERTY, according to the plat thereof recorded in Volume 1 of Plats, page 49, records of Skagit County, Washington;

Beginning at the Northeast corner of said subdivision;
thence South 02°14'09" West a distance of 67.30 feet;
thence North 88°21'40" West a distance of 311.62 feet, more or less, to the West line of said subdivision;
thence North 02°12'45" East a distance of 68.32 feet;
thence East along the North line of said subdivision to the point of beginning;

AND the West Half of that portion of the North Half of the East Half of Lot 43, PLAT OF THE BURLINGTON ACREAGE PROPERTY, according to the plat thereof recorded in Volume 1 of Plats, page 49, records of Skagit County, Washington, described as follows:

Beginning at the Southeast corner of said subdivision;
thence West along the South line of said subdivision to the Southwest corner thereof;
thence North 18.4 feet;
thence East to a point 20.2 feet North of the point of beginning;
thence South 20.2 feet to the point of beginning;

EXCEPT that portion conveyed to the City of Burlington by Deed dated January 20, 1958, and recorded September 24, 1959, under Auditor's File No. 585859, records of Skagit County, Washington.

Situated in Skagit County, Washington.

- END OF EXHIBIT "A" -



200502160062
Skagit County Auditor