



201303280127

Skagit County Auditor

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**After Recording Return to:**

Ms. Kathy Green  
Skagit Farmers Supply  
P.O. Box 266  
Burlington, WA 98233

**Grantors:** Jensen, Larry R.

**Grantee:** Skagit Farmers Supply

**Abbreviated Legal Description:** Ptn S 1/2 of N 1/2 of NW 1/4; Ptn SW 1/4 of NW 1/4, 22-34-3 E W.M.

**Tax Parcel Number(s):** 340322-2-007-0300, Property ID No P127504;  
340322-2-004-0003, Property ID No. P22291;  
340322-2-002-0005, Property ID No. P22288

**MORTGAGE**

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The undersigned Mortgagor, LARRY R. JENSEN ("Mortgagor"), hereby mortgages to SKAGIT FARMERS SUPPLY, a Washington corporation, whose address is P.O. Box 266, Burlington, WA 98233, ("Mortgagee") to secure the obligations set forth in the Forbearance and Credit Agreement of even date herewith, including, but not limited to, the payment of the sum of SIX HUNDRED TWENTY-TWO THOUSAND SEVEN HUNDRED EIGHTY-FIVE AND 12/100'S DOLLARS (\$622,785.12), plus interest, in accordance with the terms of a Promissory Note of even date herewith, payable to Mortgagee or order, and all renewals, modifications and extensions thereof, and also such further credit granted or sums as may be advanced or loaned by Mortgagee to Mortgagor or any of his successors or assigns, together with interest thereon at such rate as by law permitted, the following described real property in Snohomish County Washington, the legal description of which is:

Attached hereto as Exhibit A and incorporated by reference herein.

In case the Mortgagor shall fail to pay any installment of principal or interest secured hereby when due or to keep or perform any covenant or agreement aforesaid, then the whole indebtedness hereby secured shall forthwith become due and payable, at the election of the Mortgagee.

To protect the security of this Mortgage, Mortgagor covenants and agrees:

1. To keep the property in good condition and repair; to permit no waste thereof; to complete any building, structure or improvement being built or about to be built thereon; to restore promptly any building, structure or improvement thereon which may be damaged or destroyed; and to comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting the property.

2. To pay before delinquent all lawful taxes and assessments upon the property; to keep the property free and clear of all other charges, liens or encumbrances impairing the security of this Mortgage.

3. To keep all buildings now or hereafter erected on the property described herein continuously insured against loss by fire or other hazards in an amount not less than the total debt secured by this Mortgage. All policies shall be held by the Mortgagee, and be in such companies as the Mortgagor may approve and have loss payable first to the Mortgagee, as its interest may appear, and then to the Mortgagor. The amount collected under any insurance policy may be applied upon any indebtedness hereby secured in such order as the Mortgagee shall determine. Such application by the Mortgagee shall not cause discontinuance of any proceedings to foreclose this Mortgage. In the event of foreclosure, all rights of the Mortgagor in insurance policies then in force shall pass to the purchaser at the foreclosure sale.

4. To defend any action or proceeding purporting to affect the security hereof or the rights or powers of Mortgagee, and to pay all costs and expenses, including cost of title search and attorney's fees in a reasonable amount, in any such action or proceeding, and in any suit brought by Beneficiary to foreclose this Mortgage.

5. To pay all costs, fees and expenses in connection with this Mortgage, including the expenses of the Mortgagee incurred in enforcing the obligation secured hereby and Mortgagee's and attorney's fees actually incurred, as provided by statute.

6. Should Mortgagor fail to pay when due any taxes, assessments, insurance premiums, liens, encumbrances or other charges against the property hereinabove described, Mortgagee



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in and who executed the within instrument, and acknowledged that he signed the same as his free and voluntary act and deed for the uses and purposes therein mentioned.

WITNESS MY HAND and official seal the day and year in this certificate first above written.



Gary Lee Anderson  
Print Name: Gary Lee Anderson  
Notary Public in and for the  
State of Washington, residing at  
Mount Vernon, WA  
Expiration Date: June 29, 2014



DESCRIPTION:

PARCEL "A":

The South  $\frac{1}{2}$  of the Northwest  $\frac{1}{4}$  of the Northwest  $\frac{1}{4}$  of Section 22, Township 34 North, Range 3 East, W.M.,

EXCEPT County road and ditch rights of way,

AND EXCEPT the North 220 feet of the West 990 feet of that portion of said premises lying East of the County road.

PARCEL "B":

The South  $\frac{1}{2}$  of the Northeast  $\frac{1}{4}$  of the Northwest  $\frac{1}{4}$  of Section 22, Township 34 North, Range 3 East, W.M.

PARCEL "C":

That portion of the Southwest  $\frac{1}{4}$  of the Northwest  $\frac{1}{4}$  of Section 22, Township 34 North, Range 3 East, W.M., described as follows:

Begin at the Southeast corner of said subdivision;  
thence North along the East line of said subdivision to a point 951.17 feet South of the Northeast corner of said Southwest  $\frac{1}{4}$  of the Northwest  $\frac{1}{4}$ ;  
thence continue North along said East line 243 feet;  
thence West parallel to the South line of said subdivision 30 feet;  
thence North parallel to the East line of said subdivision 460 feet to the true point of beginning, which point is also the Northwest corner of those premises conveyed to Larry R. Jensen by deed recorded under Auditor's File No. 200002040066;  
thence continue North along said parallel line to the North line of said Southwest  $\frac{1}{4}$  of the Northwest  $\frac{1}{4}$ ;  
thence East along said North line 30 feet, more or less, to the Northeast corner of said subdivision;  
thence South along the East line of said subdivision to the Northeast corner of said Jensen parcel;  
thence West along the North line of said Jensen parcel to the true point of beginning.

All situate in the County of Skagit, State of Washington.

EXHIBIT A



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## FORBEARANCE AND CREDIT AGREEMENT

THIS AGREEMENT is between Skagit Farmers Supply, a Washington corporation ("Skagit Farmers") and Larry R. Jensen, a single man, Country Cousins, Inc., a Washington corporation, and Valley Pride Sales, Inc., a Washington corporation (collectively "Customer").

A. Customer currently owes Skagit Farmers \$622,785.12 for products and services previously purchased under account numbers 196011 and 196031 which was due and owing December 31, 2012 which accrues interest at the rate of 9% per annum, by agreement ("Existing Debt"). That Existing Debt is past due, and Customer desires extended terms to repay the Existing Debt. Customer also desires credit to purchase additional agronomy products, custom services, farm supplies and fuel ("Products and Services") from Skagit Farmers going forward.

B. Skagit Farmers is willing to grant extended terms on the Existing Debt and credit for additional purchases ("New Debt") up to a maximum total debt, including interest and finance charges, of \$1,600,000, in exchange for the execution of a Note acknowledging the Existing Debt, an agreed limit on the amount of New Debt to be incurred, the reaffirmation of all existing security interests previously granted by Customer to Skagit Farmers, including the personal guarantee signed by Larry R. Jensen on May 20, 2005, and the granting by Customer of security on additional assets of Customer, as set forth below.

IN CONSIDERATION of the promises set forth herein, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Customer agrees to execute a Promissory Note in the form attached as Exhibit A hereto, for the Existing Debt.

2. Customer agrees to execute Deeds of Trust and/or Mortgages in the forms attached as Exhibits B, C and D on the following parcels of real property to provide additional security to Skagit Farmers for the repayment of the Existing Debt and New Debt to be accrued:

Skagit County parcel #P71901  
Skagit County parcel #P22291  
Skagit County parcel #P22288  
Skagit County parcel #P127504  
Snohomish County parcel #27063600100500

3. Skagit Farmers reserves its right to assert statutory liens against Customer's crops and other farm proceeds, as well as crop insurance and the requirement that Skagit Farmers be identified as "loss payee" for such insurance, in addition to the rights granted under this Agreement

4. Customer hereby reaffirms the security interests previously granted by Customer to Skagit Farmers, including but not limited to the Deed of Trust dated April 30, 2005 recorded under Skagit County recording number 20050523109, and the Mortgage dated May 20, 2005 recorded under Skagit County recording number 200505230110. Larry R. Jensen also reaffirms the Personal Guaranty he executed on May 20, 2005 in favor of Skagit Farmers.

5. Customer agrees to repay the Existing and New Debt no later than December 31, 2013, including all accrued interest and finance charges.



6. Skagit Farmers agrees to forbear collection of the Existing Debt in accordance with the promises set forth herein.

7. Skagit Farmers shall grant credit to customer for New Debt up to a total exposure in 2013 of both Existing and New Debt and accrued finance charges totaling no more than \$1,600,000. Skagit Farmers reserves the right to refuse to extend additional credit to Customer if the outstanding balance owed by Customer for New and Existing Debt exceeds \$1,600,000. Customer can repay the debt at any time, but will not be considered in default of the obligation unless it fails to pay the entire amount owing on or before December 31, 2013. Finance charges will accrue on the New Debt at the reduced rate of 9% per annum, assessed under Skagit Farmers' normal net 30 day terms. Skagit Farmers will issue monthly statements identifying the amount of New Debt outstanding.

8. In the event Customer fails to pay the entire Existing and New Debt, and accumulated finance charges and interest, by December 31, 2013, the obligations will be deemed, at the option of Skagit Farmers, in default and interest rate and finance charges will automatically increase to 18% per annum. Upon default, Skagit Farmers will be entitled to enforce its rights under the security interests granted by Customer.

9. The parties agree that, upon request and adequate consideration, and at the sole discretion of Skagit Farmers, one or more parcels of the real property granted to Skagit Farmers as security can be released, without jeopardizing the security interests granted in the other parcels. Except as noted, all security interests granted herein will remain in full force and effect until such time as the security interests are formally released.

10. Other than as modified by this Agreement, the terms and conditions set forth in invoices and statements, the credit application previously executed, any membership agreements, any personal guarantees, and all terms and conditions in the Promissory Note, Security Agreements and other security documents referenced herein, shall be binding on the parties.

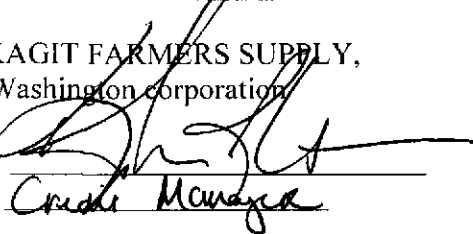
11. In the event of a default under this Agreement, the prevailing party shall be entitled to recovery of its reasonable attorneys' fees and costs, and venue for any action regarding this Agreement shall be in Skagit County, Washington. Both parties represent that they have had the opportunity to review the terms of this Agreement with legal counsel and are authorized to execute this Agreement as set forth below.

**ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, EXTEND CREDIT OR FORBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.**

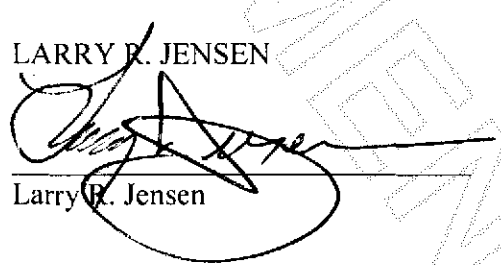
Dated this 22 day of March, 2013.

SKAGIT FARMERS SUPPLY,  
a Washington corporation

By  
Its

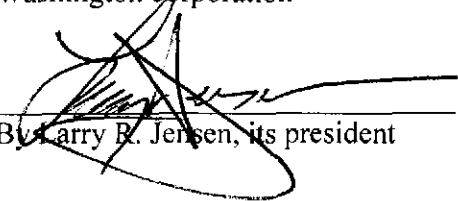
  
Credit Manager

LARRY R. JENSEN

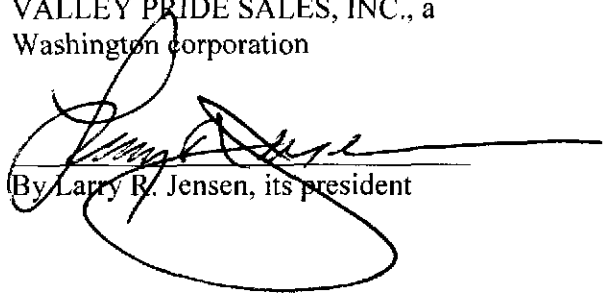
  
Larry R. Jensen



COUNTRY COUSINS, INC., a  
Washington corporation

  
By Larry R. Jensen, its president

VALLEY PRIDE SALES, INC., a  
Washington corporation

  
By Larry R. Jensen, its president



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