

When recorded return to:

Moe Brothers, LLC
16706 Penn Rd.
Mount Vernon, WA 98273



202306290188

08/29/2023 01:53 PM Pages: 1 of 10 Fees: \$212.50
Skagit County Auditor

MORTGAGE
(STATUTORY FORM)

THE MORTGAGOR CHARIS HOLDINGS LLC, a Washington limited liability company, mortgages to MOE BROTHERS, LLC, a Washington limited liability company, to secure payment of the sum of Two Hundred Forty Four Thousand Four Hundred Forty and No/100s Dollars (\$244,440.00), according to the terms of promissory note bearing even date, the following described real estate, situated in the County of Skagit, State of Washington:

As hereto attached in Exhibit "A" and by this reference made a part hereof.

Abbreviated Legal: Ptn Government Lots 6 & 7, Section 25, Township 34 North, Range 3 East, W.M.

Tax Parcel Numbers: P22683, P132689, and P136812

And the mortgagor promises and agrees to pay before delinquency all taxes, special assessments and other public charges levied, assessed or charged against said described premises, and to keep all improvements on said described premises insured against loss or damage by fire in the sum of Six Hundred Thirty Thousand and No/100s Dollars (\$630,000.00) for the benefit of the mortgagee and to deliver all policies and renewals to the mortgagee.

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.

This Mortgage is for the purpose of securing performance of each agreement of Mortgagor herein contained, and payment of the sum of **\$244,440**, with interest, in accordance with the terms of a Promissory Note of even date herewith, payable to Mortgagee or order, and made by Mortgagor, and all renewals, modifications and extensions thereof, and also such further sums as may be advanced or loaned by Mortgagee to Mortgagor, or any of their successors or assigns, together with interest thereon at such rate as shall be agreed upon. Mortgagor hereby also grants Mortgagee a security interest in all rents produced from the Property and all timber to be cut, as extracted collateral and fixtures located on the Property.

This mortgage is subordinate to and junior to, that certain mortgage from Charis, LLC, as Mortgagor to Don and Erin Moe, as Mortgagee, which mortgage is dated on or about June 29, 2023 and is recorded under Skagit County Auditor's File Number: 20230629 0187.

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 improvements 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 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 hazards in an amount not less than the replacement value or \$630,000, whichever is greater. All policies shall be held by the Mortgagee and be in such companies as the Mortgagee 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 Mortgagee to foreclose this Mortgage.
- 5) To pay all costs, fees and expenses in connection with this Mortgage, including the expenses incurred in enforcing the obligation secured hereby and attorney's fees actually incurred.
- 6) Should Mortgagor fail to pay when due any taxes, assessments, insurance premiums, liens, encumbrances or other charges against the property hereinabove described, Mortgagee may pay the same, and the amount so paid, with interest at the rate set forth in the Note secured hereby, shall be added to and become a part of the debt secured in this Mortgage. If Mortgagor is a corporation, limited liability company or other business entity, Mortgagor's failure to maintain good standing with the state in which Mortgagor was formed shall constitute an event of default.

IT IS MUTUALLY AGREED THAT:

- 1) In the event any portion of the property is taken or damaged in an eminent domain proceeding, the entire amount of the award or such portions as may be necessary to fully satisfy the obligation secured hereby, shall be paid to Mortgagee to be applied to said obligation.
- 2) By accepting payment of any sum secured hereby after its due date, Mortgagee does not waive its right to require prompt payment when due of all other sums so secured or to declare default for failure to so pay.
- 3) Upon default by Mortgagor in the payment of any indebtedness secured hereby or in the performance of any agreement contained herein, all sums secured hereby shall immediately become due and payable at the option of the Mortgagee.
- 4) This Mortgage applies to, inures to the benefit of, and is binding not only on the parties hereto but on their heirs, devisees legatees, administrators, executors and assigns. The term Mortgagee shall mean the holder and owner of the Note secured hereby, whether or not named as Mortgagee herein.
- 5) The Mortgagor hereby absolutely, unconditionally and immediately conveys, transfers and assigns unto Mortgagee, their successors and assigns, all the rights, interest, and privileges which Mortgagor, as Lessor, has and may have in the rentals or leases of the Property (including all rental arrangements including month to month tenancies or lease agreements, written or oral, all of which will be hereafter referred to as the "Leases") and including all proceeds payable under any policy of insurance covering loss of rents resulting from untenability caused by destruction or damage to the premises, now existing or hereafter made and affecting the Property. In the event of default by the Mortgagor in the payment of any indebtedness secured hereby or the performance of any other agreement, obligation or condition in this Mortgage, the Mortgagee shall be entitled to collect and retain the rents, issues and profits from said property or any part thereof, either with or without taking possession.
- 6) Mortgagee hereby grants to Mortgagor a license to collect, so long as no default occurs under the terms of said Note and Mortgage, said deposits, rents, income, and profits from the aforementioned leases and to retain, use, and enjoy the same; provided, however, that even before default occurs no rent shall be collected or accepted more than two (2) months in advance without the prior written consent of the Mortgagee. Anything to the contrary notwithstanding, Mortgagor hereby assigns to Mortgagee any award made hereafter to it in any court procedure involving any of the lessees in any bankruptcy, insolvency, or reorganization proceedings in any state or federal court; and any and all payments made by lessees in lieu of rent. Mortgagor hereby appoints Mortgagee as its irrevocable attorney in fact to appear in any action and/or to collect any such award or payment; provided, that so long as no default occurs under the terms of the Note and Mortgage, Mortgagor may collect and retain such award or payment the same as rent.

In order to secure Mortgagor's obligations under the Promissory Note and this Mortgage, Mortgagor hereby assigns, pledges and grants to Mortgagee a continuing security interest in all of Mortgagor's Accounts; As-extracted Collateral; Chattel Paper; Commodity Accounts; Commodity Contracts; Deposit Accounts; Documents; Equipment; Farm Products; Fixtures; General Intangibles; Goods, and all accessions thereto and goods with which the goods are commingled; Instruments; Inventory; Investment Property; Letter-of-Credit Rights; Payment Intangibles; Promissory Notes; Software; Timber to be

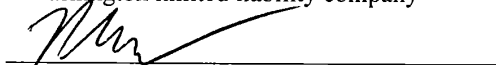
cut. This security interest shall continually exist until all of Mortgagor's obligations to Mortgagee have been performed and paid in full.

TRANSFER OF PROPERTY; ASSUMPTION:

- 1) Mortgagee may declare all sums secured by this Mortgage to be immediately due and payable if all or any part of the property or any interest therein is sold or transferred by Mortgagor without Mortgagee's prior written consent.
- 2) Mortgagee shall waive the option to accelerate if, prior to sale or transfer, the Mortgagee and the person to whom the property is to be sold or transferred reach an agreement, in writing, that the credit of such person is satisfactory to Mortgagee and the interest payable on the sum secured by this Mortgage shall be at such rate as Mortgagee requests. Mortgagee may grant or deny consent in Mortgagee's sole and absolute discretion.
- 3) The foregoing provisions for acceleration or increase in interest rate shall not apply if: (a) the conveyance or transfer is to create a lien or encumbrance subordinate to this Mortgage; (b) the transfer is by devise or descent upon the death of one of the Mortgagors, or in trust for the benefit of the Mortgagors.
- 4) Any consent to transfer by Mortgagee will not relieve Mortgagor from liability on the debt secured by this Mortgage or the terms of this Mortgage.
- 5) Mortgagee shall be entitled to charge a fee as a condition to such consent, such fee to be equal to the reasonable costs incurred by the Mortgagee by way of securing credit reports, financial statements, legal advice, and other costs reasonably and properly associated with the granting of such consent.
- 6) If Mortgagor, or any successor in interest to Mortgagor is a corporation, limited liability company or association, the sale or assignment of any stock, membership units or interest in such corporation, limited liability company or association (for other than security purposes) in the aggregate in excess of forty-five percent (45%) in any two-year period, shall be deemed a transfer of the property.

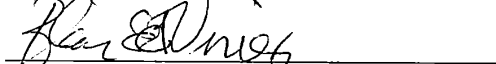
Dated: June 29, 2023

CHARIS HOLDINGS LLC,
a Washington limited liability company



By: Philip DeVries

Its: Member



By: Blair DeVries

Its: Member

STATE OF WASHINGTON
COUNTY OF SKAGIT

ss.

I certify that I know or have satisfactory evidence that PHILIP DEVRIES is the person who appeared before me, and said person acknowledged that he was authorized to execute the instrument and acknowledged it as the Member of CHARIS HOLDINGS LLC, a Washington limited liability company, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: 6/11/23



Notary name printed or typed: Maria K Bazaldua
Notary Public in and for the State of Washington
Residing at Zillah
My appointment expires: 8/11/26

STATE OF WASHINGTON
COUNTY OF SKAGIT

ss.

I certify that I know or have satisfactory evidence that BLAIR DEVRIES is the person who appeared before me, and said person acknowledged that she was authorized to execute the instrument and acknowledged it as the Member of CHARIS HOLDINGS LLC, a Washington limited liability company, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: 6/22, 2023



Notary name printed or typed: Maria K Bazaldua
Notary Public in and for the State of Washington
Residing at Zillah
My appointment expires: 8/11/26

Exhibit "A"
Legal Description

Government Lot 6, Section 25, Township 34 North, Range 3 East, W.M.

EXCEPT that portion of said Government Lot 6 being more particular described as follows:

BEGINNING at the Northwest corner of the Southwest 1/4 (West 1/4 corner) of said Section 25, Township 34 North, Range 3 East, W.M.;
thence South 89°48'21" East along the North line of said Southwest 1/4 for a distance of 1,330.62 feet, more or less, to the Northwest corner of said Government Lot 6, Section 25, Township 34 North, Range 3 East, W.M.;
thence South 0°48'58" West along the West line of said Government Lot 6 for a distance of 25.01 feet, more or less, to the Southerly right-of-way margin of Jungquist Road;
thence South 89°48'21" East along said Southerly right-of-way margin for a distance of 1,190.58 feet, to the TRUE POINT OF BEGINNING;
thence continue South 89°48'21" East along said Southerly right-of-way margin for a distance of 140.29 feet to an angle point on said Southerly margin;
thence South 89°45'00" East along said Southerly margin, parallel with the North line of said Government Lot 6 for a distance of 97.98 feet, more or less, to a point on a non-tangent curve on the Westerly right-of-way margin of Penn Road;
thence along the arc of said curve to the right, concave to the Northwest, on said Westerly margin, having an initial tangent bearing of South 8°04'43" West, a radius of 556.45 feet, through a central angle of 12°21'41", an arc distance of 120.05 feet, to a point of tangency;
thence continue along said Westerly margin South 20°26'25" West a distance of 105.82 feet;
thence leaving said road margin North 76°14'55" West for a distance of 200.30 feet, or less, to a point bearing South 7°41'13" West from the TRUE POINT OF BEGINNING;
thence North 7°41'13" East for a distance of 170.10 feet, more or less, to the TRUE POINT OF BEGINNING.

AND EXCEPT Irving Moe Short Plat No. 25-81 approved April 21, 1981 and recorded April 22, 1981 under Skagit County Auditor's File No. 8104220036, being more particularly described as follows:

BEGINNING at a point on the West line of Penn County Road, which is 16 rods North of the South line of said Government Lot 6;
thence West 166.50 feet;
thence South 200 feet;

Exhibit "A"

thence East to the West line of aforesaid Penn County Road;
thence North along said West line to the POINT OF BEGINNING, Section 25,
Township 34 North, Range 3 East, W.M.

AND EXCEPT that portion of said Government Lot 6 described as follows:

BEGINNING at the Southwest corner of that certain parcel conveyed to Donald I. Moe and Erin L. Moe, husband and wife, by Quit Claim deed recorded under Skagit County Auditor's File No. 8105050012, also being the Southwest corner of that certain tract shown on Skagit County Short Plat No. 25-81, approved April 21, 1981 and recorded April 22, 1981 under Skagit County Auditor's File No. 8104220036, being within a portion of Government Lot 6, Section 25, Township 34 North, Range 3 East, W.M.;

thence South 8°29'22" East for a distance of 41.00 feet;
thence South 70°26'20" East for a distance of 17.00 feet;
thence South 89°52'56" East parallel with the South line of said Short Plat No. 25-81 tract for a distance of 125.00 feet;
thence North 73°21'27" East for a distance of 21.00 feet;
thence North 45°59'01" East for a distance of 16.00 feet, more or less, to the Westerly right-of-way margin of Penn Road;
thence North 0°16'45" East along said Westerly right-of-way margin for a distance of 29.00 feet, more or less, to a point bearing South 89°52'56" East from the POINT OF BEGINNING;
thence North 89°52'56" West, parallel with the South line of said Government Lot 6, for a distance of 13.50 feet, more or less, to the Southeast corner of said Short Plat No. 25-81 tract;
thence continue North 89°52'56" West along said South line for a distance of 165.34 feet, more or less, to the POINT OF BEGINNING.

AND ALSO EXCEPT that portion of said Government Lot 6 lying Easterly of the Easterly right-of-way margin of Penn Road.

AND ALSO EXCEPT that portion of Government Lot 6, Section 25, Township 34 North, Range 3 East, W.M., being more particularly described as follows:

BEGINNING at the Northwest corner of said Government Lot 6, Section 25, Township 34 North, Range 3 East, W.M. at a point bearing South 89°48'21" East a distance of 1,330.62 feet from the Northwest corner of the Southwest 1/4 (West 1/4 corner) of said Section 25;
thence South 0°48'58" West along the West line of said Government Lot 6 for a distance of 25.00 feet, more or less, to the Southerly right-of-way margin of Jungquist Road and being the TRUE POINT OF BEGINNING;
thence South 89°48'21" East along said Southerly right-of-way margin of Jungquist Road for a distance of 1,190.58 feet, more or less, to the Northwesterly corner of that certain parcel conveyed to Jerald S. Gard and

Exhibit "A"

Jennifer S. Gard, husband and wife, by Quit Claim Deed for Boundary Line Adjustment recorded under Skagit County Auditor's File No. 200904270169; thence along the Westerly and Southwesterly lines of said Gard parcel South $7^{\circ}41'13''$ West for a distance of 170.10 feet; thence South $76^{\circ}14'55''$ East for a distance of 200.30 feet, more or less, to the Southeasterly corner of said Gard parcel, being a point on the Westerly right-of-way margin of Penn Road; thence along said Westerly margin of Penn Road South $20^{\circ}26'25''$ West for a distance of 44.90 feet to a point of curvature; thence along the arc of said curve to the left, concave to the Southeast having a radius of 1,449.26 feet, through a central angle of $11^{\circ}03'20''$, an arc distance of 279.64 feet to a point of tangency; thence South $9^{\circ}23'05''$ West for a distance of 351.48 feet to a point of curvature; thence along the arc of said curve to the left, concave to the Southeast, having a radius of 1,289.70 feet, through a central angle of $7^{\circ}21'02''$, an arc distance of 165.46 feet, more or less, to a point on the North line of the South 16 rods (264.00 feet) (as measured perpendicular to the South line) of said Government Lot 6; thence North $89^{\circ}52'56''$ West along said North line for a distance of 182.84 feet, more or less, to a point on the East line of the West 1,033.00 feet (as measured perpendicular to the West line) of said Government Lot 6; thence North $0^{\circ}48'58''$ East along said East line for a distance of 247.58 feet, more or less, to the South line of the North 817.00 feet (as measured perpendicular to the North line) of said Government Lot 6; thence North $89^{\circ}48'21''$ West along said South line for a distance of 1,033.06 feet, more or less, to the West line of said Government Lot 6 at a point bearing South $0^{\circ}48'58''$ West from the TRUE POINT OF BEGINNING; thence North $0^{\circ}48'58''$ East along said West line for a distance of 792.05 feet, more or less, to the TRUE POINT OF BEGINNING.

TOGETHER WITH that portion of Government Lot 6, Section 25, Township 34 North, Range 3 East, W.M., described as follows:

BEGINNING at the Northwest corner of the Southwest 1/4 (West 1/4 corner) of said Section 25, Township 34 North, Range 3 East, W.M.; thence South $89^{\circ}48'21''$ East along the North line of the Southwest 1/4 of said Section 25 for a distance of 1,330.62 feet to the Northwest corner of said Government Lot 6; thence South $0^{\circ}48'58''$ East along the West line of said Government Lot 6 for a distance of 1,056.06 feet, more or less, to the South line of the North 1,056.00 feet (as measured perpendicular to the North line) of said Government Lot 6 and being the TRUE POINT OF BEGINNING;

thence South $89^{\circ}48'21''$ East along said South line for a distance of 1,216.10 feet, more or less, to a point on a non-tangent curve on the Westerly right-of-way margin of Penn Road;
thence along arc of said curve to the left, concave to the East, from which the center bears South $87^{\circ}35'45''$ East, a radius of 1,289.70 feet, through a central angle of $0^{\circ}22'12''$, an arc distance of 8.33 feet, more or less, to the North line of the South 264.00 feet (16 rods) as measured perpendicular to the South line of said Government Lot 6;
thence North $89^{\circ}52'56''$ West along said North line for a distance of 180.01 feet, more or less, to the Northwest corner of the lot created for Skagit County Short Plat No. 25-81 (Revised April 15, 1981) and recorded under Skagit County Auditor's File No. 8104220036;
thence continue North $89^{\circ}52'56''$ West along said North line for a distance of 1,035.91 feet, more or less, to the West line of said Government Lot 6 at a point bearing South $0^{\circ}48'58''$ West from the TRUE POINT OF BEGINNING;
thence North $0^{\circ}48'58''$ East along said West line for a distance of 9.95 feet, more or less to the TRUE POINT OF BEGINNING;

AND TOGETHER WITH Government Lot 7, Section 25, Township 34 North, Range 3 East, W.M.

EXCEPT that portion of said Government Lot 7 described as follows:

BEGINNING at the intersection of the Westerly right-of-way line of county road which runs North and South along dike of Diking Improvement District No. 1 and the Northerly line of a second county road running East and West along the South line of said Section 25, said point of intersection being 20 feet North of said Section line;
thence West along the Northerly line of county road 208 feet;
thence North at right angles 208 feet;
thence East parallel with the South line of said Section to Westerly line of first mentioned county road;
thence Southerly along said Westerly line to the POINT OF BEGINNING.

AND EXCEPT that portion of said Government Lot 7 described as follows:

Commencing at the South $1/4$ corner of said Section 25, Township 34 North, Range 3 East, W.M. from which the Southwest corner of Section 25 bears North $89^{\circ}57'31''$ West a distance of 2,660.47 feet;
thence from said South $1/4$ corner North $0^{\circ}05'24''$ West for a distance of 20.00 feet to an angle point in the Northerly right-of-way margin of Calhoun Road and being the TRUE POINT OF BEGINNING;
thence North $89^{\circ}46'44''$ East along said Northerly right-of-way margin for a distance of 224.32 feet, more or less, to the Southwest corner of that certain

parcel conveyed to Deana R. Strom, a married woman, as her separate property by Statutory Warranty deed recorded under Auditor's File No. 200706280155; thence North $0^{\circ}13'16''$ West along the West line of said Strom parcel for a distance of 208.00 feet, to the Northwest corner thereof; thence North $89^{\circ}46'44''$ East along the North line of said Strom parcel for a distance of 88.74 feet, more or less, to the Westerly right-of-way margin of Penn Road as shown on that certain Skagit County Public Works Department map titled Penn Road dated January 22, 1975; thence North $32^{\circ}13'15''$ West along said Westerly right-of-way margin for a distance of 125.31 feet to a point of curvature; thence along the arc of said curve to the right, concave to the Northeast, having a radius of 1,448.89 feet, through a central angle of $10^{\circ}56'40''$ an arc distance of 276.76 feet to a point of tangency; thence North $21^{\circ}16'35''$ West for a distance of 94.07 feet; thence leaving said Westerly right-of-way margin, South $73^{\circ}46'21''$ West for a distance of 246.28 feet; thence South $0^{\circ}13'16''$ East for a distance of 580.73 feet, more or less, to the Northerly right-of-way margin of Calhoun Road at a point bearing North $89^{\circ}57'31''$ West from the TRUE POINT OF BEGINNING; thence South $89^{\circ}57'31''$ East along said Northerly right-of-way margin for a distance of 147.30 feet, more or less, to the TRUE POINT OF BEGINNING.

AND ALSO EXCEPT that portion of said Government Lot 7 lying Easterly of the Easterly right-of-way margin of Penn Road.

AND ALSO EXCEPT FROM ALL OF THE ABOVE dike, ditch and road rights-of-way.

ALL OF THE ABOVE BEING SUBJECT TO and TOGETHER WITH easements, reservations, restrictions, covenants, liens, leases, court causes and other instruments of record.

Situate in the County of Skagit, State of Washington.

Containing 2,154,958 sq ft, 49.47 acres