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, Skagit County Auditor

10/13/2000 Page 1 of 26 12:14:32PM

After Recording Mail To:

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Stoel Rives LLP  
900 SW Fifth Avenue, Suite 2600  
Portland, OR 97204-1268

**DEED OF TRUST, SECURITY AGREEMENT  
AND FIXTURE FILING**

**Securing a Note with an Adjustable Rate  
(Skagit County, Washington)**

Documents released or assigned: None

ISLAND TITLE CO.

*Bilde10 ✓*

Grantor: TRILLIUM CORPORATION, a Washington corporation

Grantee: METROPOLITAN LIFE INSURANCE COMPANY,  
a New York corporation

Legal Description: N/2 SW; SW SW; GOV'T Lots 3 & 4 in  
Section 27, Township 33 North, Range 5 East, W.M.,  
in the County of Skagit, State of Washington

Additional legal is on Exhibit A of the document.

Assessor's Property Tax Parcel Account Number(s):

3330527-2-001-0008

Additional Property Tax Parcel Account  
Numbers are on Exhibit B of the document.

**DEED OF TRUST, SECURITY AGREEMENT  
AND FIXTURE FILING**

**Securing a Note with an Adjustable Rate  
(Skagit County, Washington)**

**DATED: OCTOBER 11, 2000**

**BETWEEN: TRILLIUM CORPORATION,  
a Washington corporation  
Tax ID # 91-0913168**

**GRANTOR**

**AND: METROPOLITAN LIFE INSURANCE  
COMPANY, a New York corporation**

**BENEFICIARY**

**AND: CHICAGO TITLE INSURANCE COMPANY  
1616 Cornwall Avenue, Suite 115  
Bellingham, WA 98225**

**TRUSTEE**

Grantor is the owner of the real property in Skagit County, Washington described on attached Exhibit A (the "Real Property").

Beneficiary has agreed to lend to Grantor the sum of TWENTY MILLION DOLLARS (\$20,000,000). Such amount will be disbursed and be repayable with interest according to the terms of two promissory notes ("Note A" and "Note B") given to evidence such indebtedness, dated the same as this Trust Deed, under which the final payment of principal and interest on Note A will be due on November 1, 2015 and the final payment of principal and interest on Note B will be due on November 1, 2010 ("the Notes"). Certain additional terms and conditions are set forth in a Loan Agreement dated the same as this Trust Deed (the "Loan Agreement"). This Trust Deed and the Trust Deeds recorded in other counties securing the Notes, the Notes, financing statements and the Loan Agreement and any related documents are collectively herein referred to as the "Loan Documents."

The term "Indebtedness" as used in this Trust Deed shall mean (a) the principal and interest payable under the Notes; (b) any future amounts that Beneficiary may in its discretion loan to Grantor under a written agreement stating that it is intended to be secured hereby; (c) any amounts expended or advanced by Beneficiary to discharge obligations of Grantor or expenses incurred by Beneficiary or Trustee to enforce obligations of Grantor, as permitted under the Loan Documents; and (d) prepayment premiums as described in the Notes.



FOR VALUE RECEIVED, Grantor conveys to Trustee in trust with power of sale the following:

**A.** The Real Property;

**B.** As applicable, all right, title and interest of Grantor in and to (i) all logs and any timber as and when severed (as hereinafter defined) until such time as such logs and timber have been removed from the Real Property and scaled or otherwise measured in the ordinary course of business; or (ii) all sale agreements providing for the sale of standing timber located on the Real Property (the "Timber"). As used herein, "severed" means the conversion of standing timber to "goods" (as defined in the Uniform Commercial Code) or to personal property by harvesting, logging, blowdowns or any other process or event which causes standing timber to cease to be part of the Real Property;

**C.** The proceeds of any sale of logs or Timber and the profits, rents, license fees, royalties, income and other benefits derived from the Real Property other than inventory and accounts receivable created in the ordinary course of Borrower's business (collectively the "Proceeds") and the right, power and authority hereinafter given to Grantor to collect and apply the Proceeds;

**D.** All of Grantor's interest in and to all fixtures now or hereafter attached to or used in the operation of the Real Property;

**E.** All easements and rights-of-way used in connection with the Real Property, or as a means of access thereto, and all tenements, hereditaments and appurtenances thereof and thereto, and all water and water rights relating to the Real Property (whether riparian, appropriative or otherwise and whether or not appurtenant);

**F.** Any and all improvements now or hereafter constructed thereon (the "Improvements"), and all materials intended for construction, re-construction, alteration and repair of the Improvements, all of which materials shall be deemed to be included within the Real Property immediately upon the delivery thereof to the Real Property;

**G.** All the estate, interest, right, title or other claim or demand, including claims or demands with respect to the proceeds of insurance in effect with respect thereto, which Grantor now has or may hereafter acquire in the Property as hereinafter defined, and any and all awards made for the taking by eminent domain, or by any proceeding or purchase in lieu thereof;

**H.** All minerals or rights to minerals owned by Grantor, whether solid, liquid or gaseous (or a mixture), whether valuable or not, and whether or not known to exist under the Real Property, together with full rights of ingress and egress and use of the surface to the extent reasonably necessary for the purpose of exploring, drilling, mining, developing, producing, storing, removing, treating and transporting said minerals ("Minerals"); and



I. All right, title and interest of Grantor in all sand, gravel, dirt and rock located at, near or under the surface of the Real Property ("Gravel").

Grantor grants to Beneficiary a security interest in the Timber (including severed Timber or logs), Proceeds, Minerals and Gravel.

The personal and Real Property described in paragraphs A through I above is referred to as the "Property."

This Trust Deed, the assignment of the Proceeds and security interest are given to secure payment of the Indebtedness and performance of all obligations of Grantor under the Loan Documents and are given and accepted on the following terms and conditions which Grantor will promptly and faithfully observe and perform:

1. **Payment and Performance.** Grantor shall pay to Beneficiary promptly when due all amounts, payment of which is secured by this Trust Deed, and shall strictly perform all obligations imposed upon Grantor by this Trust Deed.

2. **Possession and Maintenance of the Property.**

2.1 **Possession.** Until in default, Grantor may remain in possession and control of and operate and manage the Property and collect the Proceeds from the Property.

2.2 **Duty to Maintain.** Grantor shall maintain the Real Property in good condition and promptly perform all repairs and maintenance to roads, bridges, ditches and culverts necessary to minimize erosion and to preserve its value. The Real Property shall be managed according to good forest management practices and all timber harvesting and management operations shall be conducted in accordance with Section 3 hereof.

2.3 **Nuisance, Waste.** Grantor shall not conduct or permit any nuisance and shall not commit or suffer any strip or waste on the Real Property. Timber harvest in accordance with the Loan Documents shall not constitute waste.

2.4 **Removal of Improvements.** Grantor shall maintain and shall not demolish or remove any Improvements from the Real Property without the prior written consent of Beneficiary, which consent shall not be unreasonably withheld or delayed. "Improvements" shall mean roads, bridges and culverts necessary to log the Real Property as provided in Section 3 or any structures on the Property.

2.5 **Compliance with Governmental Requirements.** Grantor shall promptly comply with all laws, ordinances and regulations of all governmental authorities applicable to the use or occupancy of the Real Property.



**2.6 Duty to Protect.** Grantor shall do all other acts, in addition to those set forth in this Trust Deed, that from the character and use of the Real Property are reasonably necessary to protect and preserve the security.

**2.7 Water Rights.** All existing water rights benefitting the Real Property shall be maintained by Grantor and applied to beneficial use so as to maintain the validity and priority of such rights.

**2.8 Mineral Operations.** Neither Grantor nor any successor in interest to Grantor in the Real property shall drill or extract or enter into any lease for the drilling or extraction of oil, gas or other hydrocarbon substances on the Real Property without the prior written consent of Beneficiary, which consent shall not be unreasonably withheld or delayed. Grantor may extract or remove rock and gravel for use in constructing roads in the Real Property, but any granting of rights in or sale of rock and gravel to third parties for quantities in excess of 20,000 cubic yards shall be done only with the prior written consent of Beneficiary, which consent shall not be unreasonably withheld or delayed.

**3. Timber Management & Severance; Release of Collateral.**

**3.1 Timber Cutting.** Grantor may cut or permit third parties to cut Timber from the Real Property as permitted pursuant to the Loan Agreement.

**3.2 Release of Collateral.** Beneficiary shall have the right to release as collateral all or any portion of the Property without obtaining the consent of Grantor or any third party.

**3.3 Partial Release of Collateral.** Beneficiary shall release portions of the collateral as provided in the Loan Agreement between the parties.

**4. Taxes and Liens.**

**4.1 Payment.** Grantor shall pay when due all taxes and assessments levied against or on account of the Real Property, and shall pay when due all claims for work done on or for services rendered or material furnished to the Property. Grantor shall maintain the Real Property free of any liens having priority over or equal to the interest of Beneficiary under this Trust Deed, except for the lien of taxes and assessments not due, and except as otherwise provided in paragraph 4.2.

**4.2 Right to Contest.** Grantor may withhold payment of any tax, assessment or claim in connection with a good faith dispute over the obligation to pay, so long as Beneficiary's interest in the Real Property is not jeopardized. If the Real Property is subjected to a lien for an amount in excess of \$100,000 (except for liens for taxes and assessments that are not yet due) which is not discharged within fifteen (15) days, Grantor shall deposit with Beneficiary cash, a sufficient corporate surety bond or other security



satisfactory to Beneficiary in an amount sufficient to discharge the lien, plus any interest, costs, attorneys' fees or other charges that could accrue as a result of a foreclosure or sale under the lien. In any contest proceedings, Grantor will defend itself and Beneficiary and will name Beneficiary as an additional obligee under any surety bond, and Grantor shall satisfy any final adverse judgment before enforcement against the Real Property.

**4.3 Evidence of Payment.** Grantor shall promptly furnish evidence of payment of taxes and assessments to Beneficiary on its demand and shall authorize the appropriate county official to deliver to Beneficiary at any time a written statement of the taxes and assessments against the Real Property.

**5. Insurance.**

**5.1 Maintenance of Insurance.** Grantor shall procure and maintain in force such policies of insurance as are currently carried by owners of similar properties in Washington and as Beneficiary may reasonably require including, but not limited to, comprehensive liability coverage with limits of not less than \$2,000,000 combined single limit with an endorsement showing Beneficiary as an additional named insured. Certificates evidencing such insurance and providing thirty (30) days' notice to Beneficiary prior to any cancellation or material reduction in coverage shall be provided to Beneficiary at closing and maintained current at all times.

**5.2 Logger's Insurance.** Grantor shall require that all loggers or other contractors performing operations on the Real Property maintain Logger's Broad Form B liability insurance with third-party firefighting cost coverage with Beneficiary named as an additional insured on such policies with limits of \$5,000,000 per occurrence or other limits as may reasonably be required by Lender. If Grantor performs its own logging, Grantor shall procure and maintain such insurance with an endorsement showing Beneficiary as an additional named insured.

**5.3 Insurance Carriers.** All insurance policies required hereby shall be issued by companies reasonably satisfactory to Beneficiary on forms, terms and conditions and with deductibles reasonably satisfactory to Beneficiary.

**6. Warranties of Grantor.**

**6.1 Title.** Grantor warrants that it holds merchantable title to the Real Property in fee simple free of all encumbrances other than those set forth in the title insurance policy to be issued to Lender at closing.

**6.2 Defense of Title.** Subject to the exceptions in paragraph 6.1 above, Grantor warrants and will forever defend the title against the lawful claims of all persons. In the event any action or proceeding is commenced that questions Grantor's title or the interest of Beneficiary or Trustee under this Trust Deed, Grantor shall defend the action at its expense.



## **7. Condemnation.**

**7.1 Application of Net Proceeds.** If all or any part of the Real Property is condemned, Beneficiary may elect to require that all or any portion of the net proceeds of the condemnation be applied on the Indebtedness if after the taking the loan balance is greater than fifty percent (50%) of the value of all of the remaining Real Property and other real property securing the Notes as reasonably determined by Lender. The "net proceeds" shall mean the total amount available after payment of all reasonable costs, expenses and attorneys' fees necessarily paid or incurred by Grantor, Beneficiary and Trustee in connection with the taking by condemnation. Sale of all or any part of the Real Property to a purchaser with the power of eminent domain in the face of a threat or the probability of the exercise of the power shall be treated as a taking by condemnation to which this Section 7 shall apply and shall not be considered a transfer for purposes of Section 10. The amount of net proceeds applied shall be a portion sufficient to cause the Loan amount to be less than or equal to fifty percent (50%) of the value of the Real Property remaining after the condemnation.

**7.2 Proceedings.** If any proceedings in condemnation are filed, Grantor shall promptly take such steps as may be necessary to defend the action and obtain the award. In the event Beneficiary has reasonable grounds for insecurity with regard to Grantor's performance of its obligations under this Section 7, Beneficiary shall be entitled, at its option, to commence, appear in and prosecute in its own name, any action or proceeding, or to make any reasonable compromise or settlement in connection with such taking or damage, and to obtain and distribute all compensation, awards or other relief therefor to which Grantor may be entitled in accordance with paragraph 7.1.

## **8. Imposition of Tax By State.**

**8.1 State Taxes Covered.** The following shall constitute state taxes to which this Section applies:

- (a) A specific tax upon trust deeds or upon all or any part of the indebtedness secured by a trust deed.
- (b) A specific tax on a grantor which the taxpayer is authorized or required to deduct from payments on the indebtedness secured by a trust deed.
- (c) A tax on a trust deed chargeable against the beneficiary or the holder of the note secured.
- (d) A specific tax on all or any portion of the indebtedness or on payments of principal and interest made by Grantor.





**8.2 Remedies.** If any state tax to which this Section 8 applies is enacted subsequent to the date of this Trust Deed, this shall have the same effect as a default, and Beneficiary may exercise any or all of the remedies available to it in the event of a default unless the following conditions are met:

- (a) Grantor may lawfully pay the tax or charge imposed by the state tax; and
- (b) Grantor pays the tax or charge within thirty (30) days after notice from Beneficiary that the tax law has been enacted or the date the tax is payable, whichever is later.

**9. Powers and Obligations of Trustee.**

**9.1 Powers of Trustee.** In addition to all powers of Trustee arising as a matter of law, Trustee shall have the power to take the following actions with respect to the Real Property upon the request of Beneficiary and Grantor:

- (a) Join in preparing and filing a map or plat of the Real Property, including the dedication of streets or other rights in the public.
- (b) Join in granting any easement or creating any restriction on the Real Property.
- (c) Join in any subordination or other agreement affecting this Trust Deed or the interest of Beneficiary under this Trust Deed.
- (d) Reconvey, without warranty, all or any part of the Real Property.

**9.2 Obligations to Notify.** Trustee shall not be obligated to notify any other party of a pending sale under any other trust deed or lien, or of any action or proceeding in which Grantor, Beneficiary or Trustee shall be a party, unless the action or proceeding is brought by Trustee.

**10. Transfer By Grantor.**

**10.1 Prohibition of Transfer Without Consent.** Except with respect to collateral released pursuant to Section 3.3 above, Grantor shall not sell, agree to sell, assign, convey, subcontract, or otherwise transfer any part or all of the Real Property or any interest in the Real Property, without the prior written consent of Beneficiary, which consent may be withheld in Beneficiary's sole discretion. If Grantor or a prospective transferee applies to Beneficiary for consent to a transfer, Beneficiary may require such information as may be reasonably necessary for Beneficiary to assess the prospective transferee's prior business





experience, reputation and financial ability to perform Grantor's obligations under this Trust Deed. Without limiting the generality of the foregoing, the occurrence at any time of any of the following events, without Beneficiary's prior written consent, shall be deemed a transfer of title to the Property:

(a) Any sale, conveyance, lease, assignment or other transfer of, or the grant of a security interest in, all or any part of the legal or equitable title to the Property (including sales of or deeds to standing timber), except as may have been permitted in any timber harvest plan approved by Beneficiary pursuant to the Loan Agreement;

(b) Any conveyance, grant or other transfer of the legal or equitable title to the Property which occurs by operation of law, by trustees in bankruptcy, executors or estate administrators or executors, or by or through a bankruptcy court.

(c) The direct or indirect acquisition by any legal entity or person or group (other than by members of the family of David R. Syre and Kay E. Syre, or an entity owned by such persons) of a fifty percent (50%) or greater ownership interest in Borrower.

**10.2 Condition to Consent.** As a condition of its consent to any transfer of the Real Property where consent is required under Section 10.1 above and except as provided in Section 3.3, Beneficiary may, in its discretion, impose a reasonable service charge not exceeding one percent (1%) of the outstanding Indebtedness and may increase the interest rate of the Indebtedness to such rate as Beneficiary may then determine to be its current rate on comparable new timberland loans in the State of Washington. Beneficiary may increase the amount of each remaining installment so that the Indebtedness will be fully paid by the original maturity date. In no event, however, shall the interest rate be increased beyond the maximum rate permitted under applicable law.

**10.3 Effect of Consent.** Consent by Beneficiary to one transfer shall not constitute a consent to other transfers or a waiver of this Section 10. No transfer by Grantor shall relieve Grantor of liability for payment of the Indebtedness. Following a transfer, Beneficiary may agree to any extension of time for payment or modification of the terms of this Trust Deed or the Notes or waive any right or remedy under this Trust Deed or the Notes without relieving Grantor from liability. Grantor waives notice, presentment and protest with respect to the Indebtedness.

**10.4 Sale of Timber.** Sales of Timber by Grantor pursuant to the provisions of the Loan Documents shall not be considered as transfers to which this Section 10 applies.

**11. Security Agreement; Security Interest.**

**11.1 Security Agreement.** This instrument shall constitute a security agreement with respect to the Proceeds, Timber (including severed Timber and logs), Minerals and Gravel and any other personal property included in the description of the Property.

**11.2 Security Interest.** Upon request by Beneficiary, Grantor shall execute financing statements and take whatever other action is reasonably requested by Beneficiary to perfect and continue Beneficiary's security interest in the Property. Grantor hereby appoints Beneficiary as Grantor's attorney-in-fact for the purpose of executing any documents necessary to perfect or continue the security interest granted therein. Beneficiary may file copies or reproductions of this Trust Deed as a financing statement at any time and without further authorization from Grantor. Grantor will reimburse Beneficiary for all expenses incurred in perfecting or continuing this security interest.

**11.3 Fixture Filing.** This instrument constitutes a financing statement filed as a fixture filing in the Official Records of the County Recorder of the county in which the Property is located with respect to any and all fixtures included within the term "Property" as used herein and with respect to any goods or other personal property that may now be or hereafter become such fixtures.

**11.4 Termination of Security Interest.** The security interest in any portion of the Timber constituting logs shall terminate at such time as the logs have been removed from the Real Property and scaled or otherwise measured in the ordinary course of business.

**12. Reconveyance on Full Performance.** If Grantor pays all of the Indebtedness when due and otherwise performs all the obligations imposed upon Grantor under this Trust Deed, Beneficiary shall execute and deliver to Trustee a request for full reconveyance and shall execute and deliver to Grantor suitable statements of termination of any financing statement on file and any other lien, encumbrance or other cloud on title created as a result of this transaction. The reconveyance and filing fees shall be paid by Grantor.

**13. Default.** The following shall constitute events of default:

(a) Failure of Grantor to pay any portion of the Indebtedness when it is due (including any applicable grace period).

(b) Failure of Grantor within the time required by this Trust Deed to make any payment for taxes, insurance or for reserves for such payment, or any other payment necessary to prevent filing of or discharge of any lien.



(c) Transfer (either voluntarily or by operation of law) or agreement to transfer any part or interest in the Property without the prior written consent of Beneficiary, in violation of Section 10 above.

(d) Dissolution, termination of existence, insolvency on a balance sheet basis or business failure of Grantor, except in connection with a transfer approved by Beneficiary pursuant to Section 10 hereof or unless cured within ten (10) days' notice to Grantor; the commencement by Grantor of a voluntary case under the federal bankruptcy laws or under any other federal or state law relating to insolvency or debtor's relief; the entry of a decree or order for relief against Grantor in an involuntary case under the federal bankruptcy laws or under any other applicable federal or state law relating to insolvency or debtor's relief; the appointment or the consent by Grantor to the appointment of a receiver, trustee or custodian of Grantor or of any of Grantor's property; an assignment for the benefit of creditors by Grantor; the making or suffering by Grantor of a fraudulent transfer under applicable federal or state law; concealment by Grantor of any of its property in fraud of creditors; the making or suffering by Grantor of a voidable preference within the meaning of the federal bankruptcy law; the imposition of a lien for an amount in excess of \$100,000 through legal proceedings or distraint upon any of the Property of Grantor which is not discharged or bonded in the manner permitted by Section 4.2 above.

(e) Failure of Grantor to perform any other obligation under this Trust Deed within twenty (20) days after receipt of written notice from Beneficiary specifying the nature of the default or, if the default cannot be cured within twenty (20) days, failure within such time to commence and pursue curative action with reasonable diligence, but in no event shall the period for cure exceed ninety (90) days. No notice of default and no opportunity to cure shall be required if during the prior 12 months Beneficiary has already sent a notice to Grantor concerning default in performance of the same obligation.

(f) The material inaccuracy of any representation or warranty made pursuant to the Loan Documents or any failure to perform under the Loan Documents beyond any applicable grace period.

(g) The occurrence of a default by Grantor under any agreement with another lender or lenders resulting in the acceleration of indebtedness in the aggregate amount of \$100,000 or more, or Grantor's failure generally to pay debts totaling such amount as such debts become due.

#### **14. Rights and Remedies on Default.**

**14.1 Remedies.** Upon the occurrence of any event of default and at any time thereafter, Trustee or Beneficiary may exercise any one or more of the following rights and remedies:



(a) Beneficiary may declare the entire Indebtedness immediately due and payable.

(b) The Trustee shall have the right to foreclose by notice and sale, and Beneficiary shall have the right to foreclose by judicial foreclosure, in either case in accordance with applicable law.

(c) If this Trust Deed is foreclosed by judicial procedure, Beneficiary will be entitled to a judgment which will provide that if the foreclosure sale proceeds are insufficient to satisfy the judgment, execution may issue for any amount by which the unpaid balance of the obligations secured by this Trust Deed exceeds the net sale proceeds payable to Beneficiary.

(d) With respect to all or any part of the Property that constitutes personalty, Beneficiary shall have all the rights and remedies of a secured party under the Uniform Commercial Code.

(e) Beneficiary shall have the right, without notice to Grantor, to take possession of the Property and collect the Proceeds, including amounts past due and unpaid, and apply the net proceeds, over and above Beneficiary's costs, against the Indebtedness. In furtherance of this right, Beneficiary may require any tenant or other user to make payments of rent or use fees directly to Beneficiary. If the Proceeds are collected by Beneficiary, then Grantor irrevocably designates Beneficiary as Grantor's attorney-in-fact to endorse instruments received in payment thereof in the name of Grantor and to negotiate the same and collect the proceeds. Payments by tenants or other users to Beneficiary in response to Beneficiary's demand shall satisfy the obligation for which the payments are made, whether or not any proper grounds for the demand existed. Beneficiary may exercise its rights under this paragraph either in person, by agent or through a receiver.

(f) Beneficiary shall have the right to have a receiver appointed to take possession of any or all of the Property, with the power to protect and preserve the Property, to operate the Property preceding foreclosure or sale, to collect the Proceeds from the Property and apply the Proceeds, over and above cost of the receivership, against the Indebtedness. The receiver may serve without bond if permitted by law. Beneficiary's right to the appointment of a receiver shall exist whether or not apparent value of the Property exceeds the Indebtedness by a substantial amount. Employment by Beneficiary shall not disqualify a person from serving as a receiver.

(g) In the event Grantor remains in possession of the Property after the Property is sold as provided above or Beneficiary otherwise becomes entitled to possession of the Property upon default of Grantor, Grantor shall become a tenant at



will of Beneficiary or the purchaser of the Property and shall pay a reasonable rental for use of the Property while in Grantor's possession.

(h) Trustee and Beneficiary shall have any other right or remedy provided in this Trust Deed, the Loan Documents or any other instrument delivered by Grantor in connection therewith, or available at law, in equity or otherwise whether or not specified herein.

**14.2 Rights of Receiver or Mortgagee-in-Possession.** Upon taking possession of all or any part of the Property, the receiver or Beneficiary may:

(a) Use, operate, manage, control and conduct business on the Property, including harvesting and selling Timber, and make expenditures for all maintenance and improvements as in its judgment are proper;

(b) Collect the Proceeds from the Property and apply such sums to the expenses of use, operation and management; and

(c) At Beneficiary's option, complete any construction or logging operations in progress on the Property, and in that connection pay bills, borrow funds, employ contractors and make any changes in plans or specifications as Beneficiary deems appropriate.

If the revenues produced by the Property are insufficient to pay expenses, the receiver may borrow, from Beneficiary (if Beneficiary, in its sole discretion, agrees to lend) or otherwise, or Beneficiary may borrow or advance such sums as the receiver or Beneficiary may deem necessary for the purposes stated in this paragraph 14.2. The amounts borrowed or advanced shall bear interest from the date of expenditure until repaid at the same interest rate as provided in paragraph 15.4 below. Such sums shall become a part of the Indebtedness secured by this Trust Deed and shall be payable by Grantor on demand.

**14.3 Sale of the Property.** In exercising its rights and remedies, the Trustee or Beneficiary may cause all or any part of the Property to be sold as a whole or in parcels, and certain portions of the Property may be sold without selling other portions. Beneficiary may bid at any public sale on all or any portion of the Property.

**14.4 Notice of Sale.** Beneficiary shall give Grantor reasonable notice of the time and place of any public sale of any personal property or of the time after which any private sale or other intended disposition of the personal property is to be made. Reasonable notice shall mean notice given at least ten (10) days before the time of the sale or disposition.

**14.5 Waiver; Election of Remedies.** A waiver by either party of a breach of a provision of this Trust Deed shall not constitute a waiver of or prejudice the party's right otherwise to demand strict compliance with that provision or any other provision. Election by



Beneficiary to pursue any remedy shall not exclude pursuit of any other remedy, and all remedies of Beneficiary under this Trust Deed are cumulative and not exclusive. An election to make expenditures or take action to perform an obligation of Grantor shall not affect Beneficiary's right to declare a default and exercise its remedies under this Trust Deed.

**14.6 Attorneys' Fees; Expenses.** In the event suit or action is instituted to enforce any of the terms of this Trust Deed, the prevailing party shall be entitled to recover its reasonable attorneys' fees at trial, on any appeal, and on any petition for review, in addition to all other sums provided by law. Whether or not any court action is involved, all reasonable expenses incurred by Beneficiary that are necessary at any time in Beneficiary's opinion 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 from the date of expenditure until repaid at the same interest rate as provided in paragraph 15.4 below. Expenses covered by this paragraph include (without limitation) the cost of searching records, obtaining title reports, surveyors' reports, consultants' fees, attorneys' opinions, title insurance and fees for the Trustee.

**15. Miscellaneous.**

**15.1 Time of Essence.** Time is of the essence of this Trust Deed.

**15.2 Binding Upon Successors and Assigns.** Subject to the limitations stated in this Trust Deed, on transfer of Grantor's interest and subject to the provisions of applicable law with respect to successor trustees, this Trust Deed shall be binding upon and inure to the benefit of the parties, their successors and assigns.

**15.3 Security Agreement.** In construing this Trust Deed, the term "Trust Deed" shall encompass the term "security agreement" when the instrument is being construed with respect to any personal property.

**15.4 Expenditure by Beneficiary.** If Grantor fails to comply with any provision of this Trust Deed, Beneficiary may elect to take the required action on Grantor's behalf, and any amount that Beneficiary expends in so doing shall be added to the Indebtedness. Amounts so added shall be payable on demand with interest from the date of expenditure at the default interest rate provided in the Notes, but in any event not at a rate higher than the maximum rate permitted by law. Such action by Beneficiary shall not constitute a cure or waiver of the default or any other right or remedy which Beneficiary may have on account of Grantor's default.

**15.5 Notices.** Any notice under this Trust Deed shall be in writing and shall be effective when either delivered in person or, if mailed, shall be deemed effective on the second day after deposited as registered or certified mail, postage prepaid, addressed to the parties at the following addresses:



If to Beneficiary:

Metropolitan Life Insurance Company  
8717 West 110th Street, Suite 700  
Overland Park, KS 66210-2101  
Attention: Vice President - Agricultural Investments

With a copy to:

Metropolitan Life Insurance Company  
MetLife Timber Office  
160 Winter Lane, PO Box 100  
Castle Rock, WA 98611  
Attention: Manager

and to:

Metropolitan Life Insurance Company  
Western Branch Office  
7100 N. Financial Drive, Suite 105  
Fresno, CA 93720-2900  
Attention: Manager

If to Grantor:

Trillium Corporation  
4350 Cordata Parkway  
Bellingham, WA 98226  
Attention: Treasurer

Any party may change its address for notices by written notice to the other.

**15.6 Invalid Provisions to Affect No Others.** If any of the provisions contained in the Notes or this Trust Deed shall be invalid, illegal or unenforceable in any respect, the validity of the remaining provisions in this Trust Deed and the Notes shall not be affected.

**15.7 Changes in Writing.** This Trust Deed and any of its terms may only be changed, waived, discharged or terminated by an instrument in writing signed by the party against which enforcement of the change, waiver, discharge or termination is sought. Any agreement subsequently made by Grantor or Beneficiary relating to this Trust Deed shall be superior to the rights of the holder of any intervening lien or encumbrance.

**15.8 Applicable Law.** The law of the State of Washington shall be applicable for the purpose of construing and determining the validity of this Trust Deed and determining the rights and remedies of Beneficiary on default.

**15.9 Nonagricultural.** The Real Property is not used principally for agricultural or farming purposes.





**15.10 Exhibits and Schedules.** The following exhibits and schedules are attached to this Trust Deed and incorporated herein by reference:

Exhibit A - Real Property Description  
Exhibit B - Assessor's Property Tax Parcel Account Numbers

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

IN WITNESS WHEREOF, the Grantor has executed this Trust Deed, Security Agreement and Fixture Filing as of the date first above written.

**GRANTOR:**

**TRILLIUM CORPORATION,**  
a Washington corporation

By: David Blair

Printed Name: CEO David Blair

Title: R.O.O



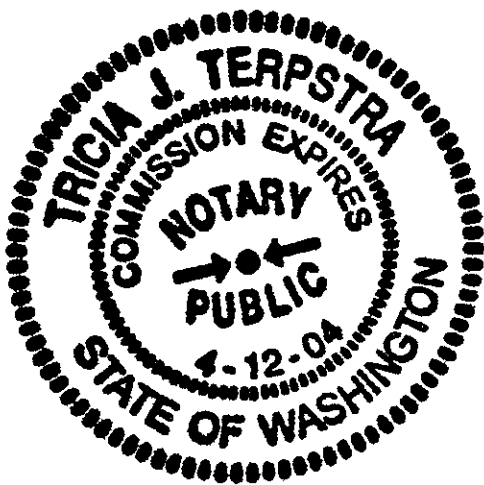
STATE OF WASHINGTON )

) ss.

County of Whatcom )

On this 11<sup>th</sup> day of October, 2000, before me personally appeared David Blair, to me personally known to be the COO of TRILLIUM CORPORATION, a Washington corporation, the corporation that he/she executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he/she was authorized to execute said instrument and that the seal affixed, if any, is the corporate seal of said corporation.

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



Signature: Tricia J. Terpstra

Name (Print): Tricia J. Terpstra

NOTARY PUBLIC in and for the State of Washington, residing at Lynden  
My appointment expires: 4-12-04



200010130073  
, Skagit County Auditor

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**EXHIBIT A  
TO  
DEED OF TRUST, SECURITY AGREEMENT  
AND FIXTURE FILING  
(Skagit County, Washington)  
(2000 Loan to Trillium from Metropolitan Life)**

**Real Property Description**

The real property located in the County of Skagit, State of Washington, described as follows:

**PARCEL 330527:**

THE NORTH HALF OF THE SOUTHWEST QUARTER; SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER; GOVERNMENT LOTS 3 AND 4; ALL IN SECTION 27, TOWNSHIP 33 NORTH, RANGE 5 EAST OF THE WILLAMETTE MERIDIAN;  
EXCEPT COUNTY ROAD, AS CONVEYED UNDER AUDITOR'S FILE NO. 206155 RECORDS OF SKAGIT COUNTY, WASHINGTON;

**PARCEL 330528:**

ALL OF SECTION 28, TOWNSHIP 33 NORTH, RANGE 5 EAST OF THE WILLAMETTE MERIDIAN;  
EXCEPT ROAD AS CONVEYED UNDER AUDITOR'S FILE NO. 206155 RECORDS OF SKAGIT COUNTY, WASHINGTON;  
AND EXCEPT THE WEST HALF OF THE SOUTHWEST QUARTER;

**PARCEL 330533:**

THE NORTHEAST QUARTER; THE SOUTHEAST QUARTER; THE SOUTH HALF OF THE SOUTHWEST QUARTER; THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 33, TOWNSHIP 33 NORTH, RANGE 5 EAST OF THE WILLAMETTE MERIDIAN;  
EXCEPT ROAD RIGHT-OF-WAY KNOWN AS LAKE CAVANAUGH ROAD NO. 315, AS GRANTED UNDER AUDITOR'S FILE NO. 206155 RECORDS OF SKAGIT COUNTY, WASHINGTON;

**PARCEL 350402:**

THAT PORTION OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 2, TOWNSHIP 35 NORTH, RANGE 4 EAST OF THE WILLAMETTE MERIDIAN, LYING WESTERLY OF THE WESTERLY LINE OF THE NORTHERN PACIFIC RAILWAY COMPANY RIGHT-OF-WAY. SITUATE IN SKAGIT COUNTY, WASHINGTON

**PARCEL 350403-A:**

THE SOUTH HALF OF THE SOUTHWEST QUARTER OF SECTION 3, TOWNSHIP 35 NORTH, RANGE 4 EAST OF THE WILLAMETTE MERIDIAN. SITUATE IN SKAGIT COUNTY, WASHINGTON

**PARCEL 350403-B:**

THE WEST HALF OF GOVERNMENT LOT 2; THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER; AND THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 3, TOWNSHIP 35 NORTH, RANGE 4 EAST OF THE WILLAMETTE MERIDIAN;  
EXCEPT THOSE PORTIONS CONVEYED TO SKAGIT COUNTY FOR ROAD PURPOSES BY



DEEDS RECORDED APRIL 14, 1915, UNDER AUDITOR'S FILE NOS. 107444 AND 107452  
RECORDS OF SKAGIT COUNTY, WASHINGTON. SITUATE IN SKAGIT COUNTY,  
WASHINGTON

PARCEL 350410:

THE NORTH HALF OF THE NORTHWEST QUARTER OF SECTION 10, TOWNSHIP 35 NORTH,  
RANGE 4 EAST OF THE WILLAMETTE MERIDIAN. SITUATE IN SKAGIT COUNTY,  
WASHINGTON

PARCEL 350701:

THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER; THE NORTHWEST  
QUARTER OF THE SOUTHWEST QUARTER; GOVERNMENT LOTS 3 AND 4, SECTION 1,  
TOWNSHIP 35 NORTH, RANGE 7 EAST OF THE WILLAMETTE MERIDIAN;  
EXCEPT COUNTY ROAD;  
ALSO EXCEPT THAT CERTAIN 100 FOOT STRIP CONVEYED TO SKAGIT COUNTY FOR  
ROAD BY DEED RECORDED JULY 9, 1970, UNDER AUDITOR'S FILE NO. 741026 RECORDS  
OF SKAGIT COUNTY, WASHINGTON;  
SITUATE IN SKAGIT COUNTY, WASHINGTON

PARCEL 350702:

THE NORTH HALF; THE NORTH HALF OF THE SOUTHWEST QUARTER; AND THE NORTH  
HALF OF THE SOUTHEAST QUARTER OF SECTION 2, TOWNSHIP 35 NORTH, RANGE 7  
EAST OF THE WILLAMETTE MERIDIAN;  
EXCEPT THAT CERTAIN 100 FOOT STRIP CONVEYED TO SKAGIT COUNTY BY DEED  
RECORDED JULY 9, 1970, UNDER AUDITOR'S FILE NO. 741026 RECORDS OF SKAGIT  
COUNTY, WASHINGTON;  
SITUATE IN SKAGIT COUNTY, WASHINGTON

PARCEL 350703:

THE NORTH HALF; THE SOUTH HALF OF THE SOUTHWEST QUARTER; NORTHEAST  
QUARTER OF THE SOUTHEAST QUARTER; AND THE SOUTH HALF OF THE SOUTHEAST  
QUARTER, ALL IN SECTION 3, TOWNSHIP 35 NORTH, RANGE 7 EAST OF THE  
WILLAMETTE MERIDIAN;  
EXCEPT THOSE PORTIONS CONVEYED TO SKAGIT COUNTY BY DEEDS RECORDED JULY  
9, 1970 AND SEPTEMBER 20, 1971, UNDER AUDITOR'S FILE NOS. 741026 AND 758244  
RECORDS OF SKAGIT COUNTY, WASHINGTON, RESPECTIVELY;  
SITUATE IN SKAGIT COUNTY, WASHINGTON

PARCEL 350704:

GOVERNMENT LOTS 1, 2, 3, AND 4, AND THE SOUTH HALF OF SECTION 4, TOWNSHIP 35  
NORTH, RANGE 7 EAST OF THE WILLAMETTE MERIDIAN;  
SITUATE IN SKAGIT COUNTY, WASHINGTON

PARCEL 350705:

THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 5, TOWNSHIP 35  
NORTH, RANGE 7 EAST OF THE WILLAMETTE MERIDIAN. SITUATE IN SKAGIT COUNTY,  
WASHINGTON

PARCEL 350707:

THE SOUTH HALF OF THE NORTHEAST QUARTER; THE SOUTHEAST QUARTER OF THE  
SOUTHWEST QUARTER; AND THE SOUTHEAST QUARTER, SECTION 7, TOWNSHIP 35  
NORTH, RANGE 7 EAST OF THE WILLAMETTE MERIDIAN. SITUATE IN SKAGIT COUNTY,  
WASHINGTON



PARCEL 350708:

THE SOUTH HALF OF THE NORTHWEST QUARTER; THE NORTH HALF OF THE SOUTHWEST QUARTER; AND THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER, SECTION 8, TOWNSHIP 35 NORTH, RANGE 7 EAST OF THE WILLAMETTE MERIDIAN;

A STRIP OR PIECE OF LAND 50 FEET WIDE, BEING 25 FEET WIDE ON EITHER SIDE OF THE CENTERLINE OF THE LOGGING RAILWAY OF LYMAN TIMBER COMPANY, MORE PARTICULARLY DESCRIBED AS FOLLOWS: STARTING FROM A POINT ON A CURVE 80 FEET NORTH OF THE SOUTHEAST CORNER OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 8, TANGENT OF SAID POINT BEING NORTH 58°15'00" EAST; THENCE ON A 08°00'00" CURVE TO THE LEFT TURNING THROUGH AN ANGLE OF 34°30'00", 431 FEET; THENCE NORTH 23°45'00" EAST, 340 FEET; THENCE ON A 07°00'00" CURVE TO THE RIGHT TURNING THROUGH AN ANGLE OF 21°45'00", 311 FEET; THENCE NORTH 45°30'00" EAST APPROXIMATELY 540 FEET TO THE INTERSECTION OF THE NORTH LINE OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 8, TOWNSHIP 35 NORTH, RANGE 7 EAST OF THE WILLAMETTE MERIDIAN;

A STRIP OF LAND 50 FEET WIDE ACROSS THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER IN SECTION 8, TOWNSHIP 35 NORTH, RANGE 7 EAST OF THE WILLAMETTE MERIDIAN, FOR A RAILROAD AS NOW CONSTRUCTED AS CONVEYED TO SOUND VIEW PULP COMPANY BY DEED RECORDED APRIL 21, 1938, IN VOLUME 174 OF DEEDS, PAGE 412, UNDER AUDITOR'S FILE NO. 301294 RECORDS OF SKAGIT COUNTY, WASHINGTON. SITUATE IN SKAGIT COUNTY, WASHINGTON

PARCEL 350709:

THE NORTHEAST QUARTER OF SECTION 9, TOWNSHIP 35 NORTH, RANGE 7 EAST OF THE WILLAMETTE MERIDIAN;

THE NORTH HALF OF THE SOUTHEAST QUARTER OF SAID SECTION 9;

A STRIP OR PIECE OF LAND 50 FEET WIDE, BEING 25 FEET WIDE ON EITHER SIDE OF THE CENTERLINE OF THE LOGGING RAILWAY OF LYMAN TIMBER COMPANY AS SAME IS NOW LOCATED AND ESTABLISHED THROUGH AND UPON THE NORTH HALF OF THE SOUTHWEST QUARTER OF SAID SECTION 9, TO WIT:

BEGINNING AT A POINT ON THE SECTION LINE APPROXIMATELY 193 FEET SOUTH OF THE QUARTER CORNER BETWEEN SECTIONS 8 AND 9; THENCE SOUTH 87°00'00" EAST, 2,090 FEET; THENCE ON A 06°00'00" CURVE TO THE LEFT TURNING THROUGH AN ANGLE OF 19°00'00", FOR A DISTANCE OF 317 FEET; THENCE NORTH 68°00'00" EAST APPROXIMATELY 235 FEET TO A POINT ON THE CENTERLINE OF SECTION 9

APPROXIMATELY 175 FEET SOUTH OF THE CENTER CORNER OF SAID SECTION 9;

THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER AND THAT PORTION OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 9, LYING NORTH OF THE LANDS AND RIGHT-OF-WAY OWNED BY OR IN USE BY THE GREAT NORTHERN RAILWAY COMPANY;

EXCEPT ALL ROAD AND RAILROAD RIGHTS-OF-WAY OVER AND ACROSS SAID PREMISES.

AND EXCEPT THAT PORTION CONVEYED TO WILLIS ENTERPRISES BY DEED RECORDED OCTOBER 14, 1991, UNDER AUDITOR'S FILE NO. 9110140046 AND DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF THE SOUTHEAST QUARTER OF SAID SECTION 9; THENCE SOUTH 01°07'38" WEST ALONG THE WEST LINE OF THE NORTHEAST QUARTER OF SECTION 16, A DISTANCE OF 86.59 FEET TO THE NORTH RIGHT-OF-WAY LINE OF THE BURLINGTON NORTHERN RAILROAD; THENCE NORTH 80°40'32" EAST ALONG SAID NORTHERLY RIGHT-OF-WAY LINE, A DISTANCE OF 1,287.73 FEET; THENCE



NORTH 00°25'49" EAST PARALLEL WITH THE WEST LINE OF SAID SOUTHEAST QUARTER, A DISTANCE OF 639.98 FEET; THENCE SOUTH 83°51'29" WEST, A DISTANCE OF 1,277.00 FEET, MORE OR LESS, TO THE WEST LINE OF SAID SOUTHEAST QUARTER; THENCE SOUTH 00°25'49" WEST ALONG SAID WEST LINE OF THE SOUTHEAST QUARTER TO THE POINT OF BEGINNING.

PARCEL 350710:

THE NORTHWEST QUARTER; THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER AND THE NORTH HALF OF THE NORTHEAST QUARTER, LYING NORTHWESTERLY OF BAKER LAKE ROAD, AS CONVEYED TO SKAGIT COUNTY BY DEED RECORDED JULY 9, 1970, UNDER AUDITOR'S FILE NO. 741026 RECORDS OF SKAGIT COUNTY, WASHINGTON, IN SECTION 10, TOWNSHIP 35 NORTH, RANGE 7 EAST OF THE WILLAMETTE MERIDIAN; SITUATE IN SKAGIT COUNTY, WASHINGTON

PARCEL 350717:

THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 17, TOWNSHIP 35 NORTH, RANGE 7 EAST OF THE WILLAMETTE MERIDIAN; EXCEPT THAT PORTION LYING WITHIN THE GREAT NORTHERN RAILWAY COMPANY'S RIGHT-OF-WAY. SITUATE IN SKAGIT COUNTY, WASHINGTON

PARCEL 350718:

THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 18, TOWNSHIP 35 NORTH, RANGE 7 EAST OF THE WILLAMETTE MERIDIAN; THAT PORTION OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 18, LYING NORTHERLY OF PUGET SOUND AND BAKER RIVER RAILWAY COMPANY RIGHT-OF-WAY; AND THAT PORTION OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER AND THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 18, TOWNSHIP 35 NORTH, RANGE 7 EAST OF THE WILLAMETTE MERIDIAN, CONTAINED WITHIN A STRIP OF LAND 100 FEET IN WIDTH, BEING 50 FEET ON EITHER SIDE OF THE FOLLOWING DESCRIBED CENTERLINE: BEGINNING AT A POINT ON THE WEST LINE OF SAID NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 18, 175.00 FEET, MORE OR LESS, NORTH OF THE SOUTHWEST CORNER THEREOF; THENCE NORTHEASTERLY CURVING LEFT AND THEN RIGHT TO A POINT ON THE EAST LINE OF SAID NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 18, 670.00 FEET, MORE OR LESS, SOUTH OF THE NORTHEAST CORNER THEREOF; CONTINUING THENCE NORTHEASTERLY ACROSS THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 18, CURVING RIGHT AND THEN LEFT, TO A POINT ON THE EAST LINE THEREOF, 435.00 FEET, MORE OR LESS, SOUTH OF THE NORTHEAST CORNER OF SAID NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 18. SITUATE IN SKAGIT COUNTY, WASHINGTON

PARCEL 350805:

THE SOUTH HALF OF THE SOUTHWEST QUARTER OF SECTION 5, TOWNSHIP 35 NORTH, RANGE 8 EAST OF THE WILLAMETTE MERIDIAN. SITUATE IN SKAGIT COUNTY, WASHINGTON

PARCEL 350806:

THE SOUTHEAST QUARTER OF SECTION 6, TOWNSHIP 35 NORTH, RANGE 8 EAST OF THE WILLAMETTE MERIDIAN. SITUATE IN SKAGIT COUNTY, WASHINGTON



PARCEL 350921:

THE EAST HALF OF THE SOUTHEAST QUARTER OF SECTION 21, TOWNSHIP 35 NORTH, RANGE 9 EAST OF THE WILLAMETTE MERIDIAN. SITUATE IN SKAGIT COUNTY, WASHINGTON

PARCEL 350922:

THE NORTH HALF OF THE NORTHEAST QUARTER; THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER; GOVERNMENT LOTS 1, 2, 3, 4, 5 AND 6; THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER; THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER; AND THE SOUTHWEST QUARTER OF SECTION 22, TOWNSHIP 35 NORTH, RANGE 9 EAST OF THE WILLAMETTE MERIDIAN. SITUATE IN SKAGIT COUNTY, WASHINGTON

PARCEL 360303:

GOVERNMENT LOTS 3 AND 4 AND THE SOUTH HALF OF THE NORTHWEST QUARTER OF SECTION 3, TOWNSHIP 36 NORTH, RANGE 3 EAST OF THE WILLAMETTE MERIDIAN. SITUATE IN SKAGIT COUNTY, WASHINGTON

PARCEL 360313:

THE WEST HALF OF THE SOUTHWEST QUARTER OF SECTION 13, TOWNSHIP 36 NORTH, RANGE 3 EAST OF THE WILLAMETTE MERIDIAN; SITUATE IN SKAGIT COUNTY, WASHINGTON  
EXCEPT ROAD RIGHTS-OF-WAY

PARCEL 360314:

(45,46)

THE NORTH HALF OF THE SOUTHWEST QUARTER AND THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 14, TOWNSHIP 36 NORTH, RANGE 3 EAST OF THE WILLAMETTE MERIDIAN;  
EXCEPT ROAD RIGHTS-OF-WAY;  
SITUATE IN SKAGIT COUNTY, WASHINGTON

PARCEL 360315:

THE SOUTH HALF OF THE SOUTHWEST QUARTER OF SECTION 15, TOWNSHIP 36 NORTH, RANGE 3 EAST, W.M., SITUATE IN SKAGIT COUNTY, WASHINGTON.

PARCEL 360322:

A STRIP OF LAND 25 FEET WIDE FOR ROADWAY THE CENTERLINE OF SAID STRIP DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT 328 FEET SOUTH OF THE NORTHWEST CORNER OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER, SECTION 22, TOWNSHIP 36 NORTH, RANGE 3 EAST, W.M., THENCE NORTHEASTERLY TO A POINT ON THE NORTH LINE OF SAID NORTHEAST QUARTER OF THE NORTHWEST QUARTER, 303 FEET EAST OF THE NORTHWEST CORNER THEREOF. SITUATE IN SKAGIT COUNTY, WASHINGTON.

PARCEL 360323:

THAT PORTION OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER, LYING SOUTHERLY OF THE ROAD AND WESTERLY OF THE OLD RAILROAD; AND THAT PORTION OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER, LYING SOUTHERLY OF THE ROAD EXTENDING OVER AND ACROSS SAID SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER IN SECTION 23, TOWNSHIP 36 NORTH, RANGE 3 EAST OF THE WILLAMETTE MERIDIAN;  
EXCEPT ROAD RIGHTS-OF-WAY. SITUATE IN SKAGIT COUNTY, WASHINGTON





PARCEL 360325:

THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 25, TOWNSHIP 36 NORTH, RANGE 3 EAST OF THE WILLAMETTE MERIDIAN;  
EXCEPT ROAD RIGHTS-OF-WAY. SITUATE IN SKAGIT COUNTY, WASHINGTON

PARCEL 360326:

THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER; THAT PORTION OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER, LYING SOUTHERLY OF THE EASTERLY AND WESTERLY ROAD AND EASTERLY OF THE NORTHERLY AND SOUTHERLY ROAD; THE SOUTH 100 FEET OF THAT PORTION OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER, LYING SOUTHERLY AND EASTERLY OF THE ROAD; THE NORTH 100 FEET OF THAT PORTION OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER, LYING EASTERLY OF THE ROAD; THE SOUTH HALF OF THE NORTHEAST QUARTER; THAT PORTION OF THE WEST HALF OF THE SOUTHEAST QUARTER, LYING NORTHERLY OF THE CENTERLINE OF COLONY CREEK; AND THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER;  
EXCEPT THAT PORTION OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER, LYING SOUTHWESTERLY OF COLONY CREEK, ALL IN SECTION 26, TOWNSHIP 36 NORTH, RANGE 3 EAST OF THE WILLAMETTE MERIDIAN;  
EXCEPT ROAD RIGHTS-OF-WAY. SITUATE IN SKAGIT COUNTY, WASHINGTON

PARCEL 360404:

GOVERNMENT LOT 1; THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER; THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER; SECTION 4, TOWNSHIP 36 NORTH, RANGE 4 EAST OF THE WILLAMETTE MERIDIAN;  
THAT PORTION OF THE SOUTH 3/4 OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 4, LYING EAST OF THE CCC ROAD;  
EXCEPT THAT PORTION LYING WITHIN SHORT PLAT NO. 156-79 AS RECORDED UNDER AUDITOR'S FILE NO. 8210150017 RECORDS OF SKAGIT COUNTY, WASHINGTON;  
AND EXCEPT THAT PORTION CONVEYED TO SKAGIT COUNTY BY DEED RECORDED UNDER AUDITOR'S FILE NO. 8203250068 RECORDS OF SKAGIT COUNTY, WASHINGTON;  
THAT PORTION OF THE NORTH 3/4 OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 4, LYING EAST OF THE CCC ROAD;  
EXCEPT APPROXIMATELY 2 ACRES BEGINNING IN THE SOUTHWEST CORNER OF THE ABOVE DESCRIBED TRACT WHERE THE SOUTH LINE OF THE ABOVE DESCRIBED TRACT MEETS THE EASTERLY LINE OF THE CCC ROAD FOR A POINT OF BEGINNING;  
THENCE EAST ALONG SAID SOUTHERLY LINE OF THE ABOVE DESCRIBED TRACT A DISTANCE OF 300.00 FEET; THENCE NORTH A DISTANCE OF 325.00 FEET; THENCE WEST TO THE EASTERLY LINE OF THE CCC ROAD; THENCE SOUTHERLY ALONG SAID EASTERLY LINE OF THE CCC ROAD TO THE POINT OF BEGINNING;  
THE NORTH 30 ACRES OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER; THE SOUTH HALF OF THE SOUTH HALF OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER; THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 4;  
TOGETHER WITH AN EASEMENT FOR A ROAD RIGHT-OF-WAY OVER THE SOUTH HALF OF THE SOUTH HALF OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER AND THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 4, TOWNSHIP 36 NORTH, RANGE 4 EAST OF THE WILLAMETTE MERIDIAN, WITH THE RIGHT TO BUILD AND MAINTAIN A ROAD THEREOF, THIS RIGHT-OF-WAY TO BE 60 FEET WIDE, BEING 30 FEET ON EITHER SIDE OF THE CENTERLINE, DESCRIBED AS FOLLOWS:  
BEGINNING AT A POINT ON THE ABANDONED BLOEDEL-DONOVAN COMPANY RAILROAD RIGHT-OF-WAY, NOW BEING USED AS A ROAD, THIS POINT BEING 1,550.00



FEET NORTH AND 520.00 FEET EAST OF THE SOUTHWEST CORNER OF SECTION 4, TOWNSHIP 36 NORTH, RANGE 4 EAST OF THE WILLAMETTE MERIDIAN; THENCE SOUTH 39°00'00" 121.00 FEET; THENCE SOUTH 84°00'00" EAST 123.00 FEET; THENCE SOUTH 53°00'00" EAST 363.00 FEET; THENCE SOUTH 08°00'00" 76.00 FEET; THENCE SOUTH 26°00'00" EAST 41.00 FEET; THENCE SOUTH 10°00'00" EAST 192.00 FEET; THENCE SOUTH 14°00'00" EAST 259.00 FEET; THENCE SOUTH 41°00'00" EAST 67.00 FEET; THENCE NORTH 36°00'00" EAST 115.00 FEET; THENCE NORTH 04°00'00" WEST 54.00 FEET; THENCE NORTH 40°00'00" EAST INTO THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 4;  
AND THE WEST HALF OF THE SOUTHEAST QUARTER OF SECTION 4, TOWNSHIP 36 NORTH, RANGE 4 EAST OF THE WILLAMETTE MERIDIAN, SITUATE IN SKAGIT COUNTY, WASHINGTON.

PARCEL 360406:

THE SOUTH HALF OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER, SECTION 6, TOWNSHIP 36 NORTH, RANGE 4 EAST OF THE WILLAMETTE MERIDIAN; THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER AND THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 6;  
EXCEPT ABBY ROAD;  
THAT PORTION OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION, LYING EASTERLY OF U.S. HIGHWAY 99, AS CONVEYED TO THE STATE OF WASHINGTON BY DEED RECORDED UNDER AUDITOR'S FILE NO. 253009 RECORDS OF SKAGIT COUNTY, WASHINGTON;  
EXCEPT ANY PORTION WITHIN ABBY ROAD;  
AND THE SOUTHEAST QUARTER OF SAID SECTION 6, TOWNSHIP 36 NORTH, RANGE 4 EAST OF THE WILLAMETTE MERIDIAN. SITUATE IN SKAGIT COUNTY, WASHINGTON

PARCEL 360407:

THE EAST HALF OF THE NORTHEAST QUARTER OF SECTION 7, TOWNSHIP 36 NORTH, RANGE 4 EAST OF THE WILLAMETTE MERIDIAN;  
THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 7;  
EXCEPT THE SOUTHWEST QUARTER THEREOF;  
AND THAT PORTION OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 7, TOWNSHIP 36 NORTH, RANGE 4 EAST OF THE WILLAMETTE MERIDIAN, IN SKAGIT COUNTY, WASHINGTON DESCRIBED AS FOLLOWS:  
COMMENCING AT THE EAST QUARTER CORNER OF SAID SECTION 7, BEING THE TRUE POINT OF BEGINNING; THENCE SOUTH 02°20'00" EAST ALONG THE EAST BOUNDARY OF SAID SECTION 7, A DISTANCE OF 87.87 FEET; THENCE NORTH 45°24'05" WEST, A DISTANCE OF 128.38 FEET TO A POINT ON THE NORTH BOUNDARY OF SAID SOUTHEAST QUARTER; THENCE SOUTH 88°28'10" EAST, A DISTANCE OF 87.87 FEET, MORE OR LESS TO THE POINT OF BEGINNING. SITUATE IN SKAGIT COUNTY, WASHINGTON

PARCEL 360408:

THE WEST 60 FEET OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 8, TOWNSHIP 36 NORTH, RANGE 4 EAST OF THE WILLAMETTE MERIDIAN;  
EXCEPT THAT PORTION LYING SOUTH OF THE NORTH MARGIN OF THE COUNTY ROAD AS CONVEYED BY DEED RECORDED UNDER AUDITOR'S FILE NO. 463822;  
AND EXCEPT THE WEST 12.00 FEET OF THE SOUTH 314.00 FEET OF THE REMAINDER. SITUATE IN SKAGIT COUNTY, WASHINGTON



PARCEL 360426:

THE SOUTHWEST QUARTER OF SECTION 26, TOWNSHIP 36 NORTH, RANGE 4 EAST OF THE WILLAMETTE MERIDIAN;  
EXCEPT THAT PORTION LYING NORTHEASTERLY OF THE SAMISH RIVER AS IT EXISTED OCTOBER 20, 1977. SITUATE IN SKAGIT COUNTY, WASHINGTON

PARCEL 360427:

THE SOUTHEAST QUARTER OF SECTION 27, TOWNSHIP 36 NORTH, RANGE 4 EAST OF THE WILLAMETTE MERIDIAN;  
EXCEPT THAT PORTION LYING NORTHWESTERLY OF THE CENTERLINE OF THE SAMISH RIVER. SITUATE IN SKAGIT COUNTY, WASHINGTON

PARCEL 360434:

THE NORTHEAST QUARTER; THE EAST HALF OF THE NORTHWEST QUARTER; THE EAST HALF OF THE SOUTHWEST QUARTER; THE NORTH HALF OF THE SOUTHEAST QUARTER AND THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 34, TOWNSHIP 36 NORTH, RANGE 4 EAST OF THE WILLAMETTE MERIDIAN. SITUATE IN SKAGIT COUNTY, WASHINGTON

PARCEL 360435:

THE WEST HALF OF THE NORTHWEST QUARTER IN SECTION 35, TOWNSHIP 36 NORTH, RANGE 4 EAST OF THE WILLAMETTE MERIDIAN. SITUATE IN SKAGIT COUNTY, WASHINGTON

PARCEL 361120:

GOVERNMENT LOT 12 OF SECTION 20, TOWNSHIP 36 NORTH, RANGE 11 EAST OF THE WILLAMETTE MERIDIAN; SITUATE IN SKAGIT COUNTY, WASHINGTON;

PARCEL 361129:

THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 29, TOWNSHIP 36 NORTH, RANGE 11 EAST OF THE WILLAMETTE MERIDIAN, SITUATE IN SKAGIT COUNTY, WASHINGTON, SITUATE IN SKAGIT COUNTY, WASHINGTON;

PARCEL 361130:

GOVERNMENT LOTS 3 AND 10, SECTION 30, TOWNSHIP 36 NORTH, RANGE 11 EAST OF THE WILLAMETTE MERIDIAN, SITUATE IN SKAGIT COUNTY, WASHINGTON;



200010130073  
, Skagit County Auditor

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**EXHIBIT B  
TO  
DEED OF TRUST, SECURITY AGREEMENT  
AND FIXTURE FILING  
(Skagit County, Washington)  
(2000 Loan to Trillium from Metropolitan Life)**

**Assessor's Property Tax Parcel Account Numbers**

330527-3-001-0008	350707-1-002-0001	360326-1-003-0000
330528-1-001-0001	350707-4-001-0014	360326-1-004-0009
330533-1-001-0004	350707-4-003-0004	360326-1-005-0008
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