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, Skagit County Auditor

12/22/2000 Page 1 of 7 9:54:25AM

When Recorded Return to:

HALL, PINCKNEY, KINTNER & WEST
2135 Sixth Street
Bremerton, WA 98312

Document Title(s): DEED OF TRUST

Auditor's File Nos. of Related Documents (Assigned, Released, Modified, etc):

- 1.
- 2.
- 3.

(Additional Auditor's File Nos. on page ____ of document)

Grantors/Borrowers (last name first):

1. RYGMYR, GARY A.
2. RYGMYR, SALLY W.
- 3.

(Additional names on page ____ of document)

Grantees/Assignees/Beneficiary (last name first):

1. LANE POWELL SPEARS LUBERSKY, LLP
2. HALL, PINCKNEY, KINTNER AND WEST, P.S.
- 3.

(Additional names on page ____ of document)

Legal Description Abbreviated (i.e., lot, sec./tnw/range):

Ptn Govt. Lot 1, Sec 26 T36N R2E, W.M., Skagit Cty, WA
(Full legal description on page 6 & 7 of document)

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

1. P47163 [360226-0-049-0108]
2. P47144 [360226-0-033-0106]
- 3.

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BREMERTON, WA 98312

(360) 373-9515 Fax (360) 479-1090

DEED OF TRUST

THIS DEED OF TRUST, made this 17th day of December, 2000, between **GARY A. RYGMYR and SALLY W. RYGMYR, husband and wife**, Grantor, whose address is 69-1035 Keana Place, #205, Waikoloa, HI 96738; **TRANSNATION TITLE INSURANCE COMPANY**, Trustee, whose address is 9619 Levin Road N.W., Silverdale, WA 98383; and **LANE POWELL SPEARS LUBERSKY, LLP**, a Washington Limited Liability Partnership, whose address is 1420 Fifth Avenue, Seattle, WA, 98104, and **HALL, PINCKNEY, KINTNER & WEST, P.S.**, a Washington corporation, 2135 Sixth Street, Bremerton, WA 98312-3957, as Beneficiaries.

WITNESSETH:

Grantor hereby bargains, sells and conveys to Trustee, in trust, with power of sale, the real property in Skagit County, Washington, more particularly described on Exhibit "A" attached hereto and incorporated herein by reference, which real property is not used principally for agricultural or farming purposes, together with all tenements, hereditaments, and appurtenances now or hereafter thereunto belonging or in any wise pertaining thereto, and the rents, issues and profits thereof.

This deed is for the purposes of securing performance of each agreement of Grantor herein contained, and payment of the sum of TWO HUNDRED THOUSAND DOLLARS (\$200,000.00), with interest at twelve percent (12.0%) per annum on the unpaid principal balance, in accordance with the terms of that certain Promissory Note of even date herewith payable to Beneficiary or order, and made by Grantor, and all renewals, modifications and extensions thereof, and also such further sums as may be advanced or loaned by Beneficiary to Grantor, or any of Grantor's successors or assigns, together with interest thereon at such rate as shall be agreed upon.

To protect the security of this Deed of Trust, Grantor 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 Deed of Trust;

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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 Deed of Trust. All policies shall be held by Grantor, and be in such companies as Beneficiary may approve and have loss payable first to Beneficiary as its interest may appear and then to Grantor. The amount collected under any insurance policy may be applied upon any indebtedness hereby secured in such order as Beneficiary shall determine. Such application by Beneficiary shall not cause discontinuance of any proceedings to foreclose this Deed of Trust. In the event of foreclosure, all rights of Grantor 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 Beneficiary or Trustee, and to pay all costs and expenses, including cost of title search and attorneys' fees in a reasonable amount, in any such action or proceeding and in any suit brought by Beneficiary to foreclose this Deed of Trust;

5. To pay all costs, fees and expenses in connection with this Deed of Trust incurred in enforcing the obligation secured hereby and Trustee's fees and attorneys' fees actually incurred, as provided by statute;

6. Should Grantor fail to pay when due any taxes, assessments, insurance premiums, liens, encumbrances or other charges against the property hereinabove described, Beneficiary may pay the same, and the amount so paid, with interest at the default rate of interest set forth in the Note secured hereby, shall be added to and become a part of the debt secured by this Deed of Trust.

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 portion thereof as may be necessary to fully satisfy the obligation secured hereby shall be paid to Beneficiary to be applied to said obligation;

2. By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive its right to require prompt payment when due of all other sums so secured or to declare a default for failure to so pay;

3. Trustee shall reconvey all or any part of the property covered by this Deed of Trust to the person or persons entitled thereto upon written request of Beneficiary, or upon satisfaction of the obligation secured and written request for reconveyance made by Beneficiary or the person entitled thereto;

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4. Upon default by Grantor 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 Beneficiary. In such event and upon written request of Beneficiary, Trustee or his authorized agent shall sell the trust property, in accordance with the Deed of Trust Act of the State of Washington, at public auction to the highest bidder. Any person except Trustee may bid at Trustee's sale. Trustee shall apply the proceeds of the sale as follows: (1) to the expense of sale, including a reasonable Trustee's fee and attorneys' fees; (2) to the obligation secured by this Deed of Trust; (3) the surplus, if any, shall be deposited with the Clerk of the Superior Court of the county in which the sale took place to be distributed in accordance with RCW 61.24.080;

5. Trustee shall deliver to the purchaser at the sale its deed, without warranty, which shall convey to the purchaser the interest in the property which Grantor had or had the power to convey at the time of Grantor's execution of this Deed of Trust, and such as Grantor may have acquired thereafter. The Trustee's Deed shall recite the facts showing that the sale was conducted in compliance with all the requirements of law and of this Deed of Trust, which recital shall be prima facie evidence of such compliance and conclusive evidence thereof in favor of bona fide purchasers and encumbrances for value;

6. The power of sale conferred by this Deed of Trust and by the Deed of Trust Act of the State of Washington is not an exclusive remedy; Beneficiary may cause this Deed of Trust to be foreclosed as a mortgage;

7. In the event of the death, incapacity, disability or resignation of Trustee, Beneficiary shall appoint in writing a successor Trustee, and upon the recording of such appointment in the mortgage records of the county in which this Deed of Trust is recorded, the successor Trustee shall be vested with all powers of the original Trustee. Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Grantor, Trustee or Beneficiary shall be parties unless such action or proceeding is brought by Trustee;

8. This Deed of Trust applies to, inures to the benefit of, and is binding not only on the parties hereto, but on their heirs, devisees, legatees, administrators, executors, successors and assigns. The term "Beneficiary" shall mean the holder and owner of the Note secured hereby, whether or not named as Beneficiary herein.

IN WITNESS WHEREOF, the parties hereto have executed this instrument as of the day and year first above written.


GARY A. RYGMYR


SALLY W. RYGMYR

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STATE OF HAWAII)
) §
County of Hawaii)

I certify that I know or have satisfactory evidence that **GARY A. RYGMYR**
and **SALLY W. RYGMYR**, husband and wife, signed this instrument and acknowledged it
to be their free and voluntary act for the uses and purposes mentioned in the instrument.

DATED this 11th day of December, 2000.

Risa G. Intador

NOTARY PUBLIC in and for the State of
Hawaii, residing at 68-1845 Wai'Koloa Rd. Wai'Koloa HI 96738
My commission expires 5/20/01

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EXHIBIT "A"

That portion of Government Lot 1, Section 26, Township 36 North, Range 2 East, W.M., described as follows:

Commencing at the Southeast corner of said Section 26; thence North $1^{\circ}42'41''$ East, along the East line of said Government Lot 1 of Section 26, 857.12 feet; thence at right angle to said East line North $88^{\circ}17'19''$ West 527.00 feet to an intersection with the East line of that certain tract of land conveyed to Nellie Flynn by instrument dated June 14, 1947 and filed June 23, 1947 under Skagit County Auditor's File Number 405861, said intersection being the true point of beginning; thence continue North $88^{\circ}17'19''$ West 75.00 feet; thence North $1^{\circ}42'41''$ East parallel with said East line of Nellie Flynn tract, 220 feet, more or less, to the line of ordinary high tide; thence Easterly along said line of ordinary high tide 75 feet, more or less, to an intersection with said East line of the Nellie Flynn tract; thence Southerly along said East line 230 feet, more or less, to the true point of beginning. (Said Tract also known as Tract "A" in that certain Short Plat No. 57-75, approved January 15, 1976 and recorded January 16, 1976 under Auditor's File No. 828754.)

TOGETHER WITH that portion of the tidelands of the second class in front of, adjacent to, and abutting on the above described tract, lying Easterly of the Northerly extension of the West line of said above described tract and lying Westerly of the East line of the East 150 feet of the West 817.67 feet of said Government Lot 1, EXCEPT any portion thereof lying within a tract conveyed October 15, 1901 by the State of Washington to Ino Earls by Bush Act Oyster Lands deed recorded November 9, 1942 in Volume 187 of Deeds, page 427; EXCEPT mineral rights as reserved in deed recorded June 14, 1943 under Auditor's File No. 363097.

TOGETHER WITH that certain non-exclusive easement for ingress and egress over and across a 10 foot existing road, which road runs in a Westerly direction from the North line of the H.R. Roney Road No. 295 to the base of a hill; thence in an Easterly direction to the West line of that certain tract conveyed to Nellie Flynn by instrument dated June 14, 1947 and recorded June 23, 1947 under Skagit County Auditor's No. 405861, as more fully set forth in that certain "Stipulation and Decree" entered April 14, 1965 in Skagit County Superior Court Cause No. 26747; and also

TOGETHER WITH a non-exclusive easement for ingress, egress and utilities described as follows:

Beginning at the Southwest corner of that certain parcel of land conveyed to Robert Douglas Green by Deed recorded June 21, 1968 under Auditor's File No. 714999; thence South $88^{\circ}17'19''$ East along the South line of said Green tract 60 feet to the Southeast corner thereof; thence continue South $88^{\circ}17'19''$ East 75.00 feet to a point on the West line of the above described tract of land which point is North $1^{\circ}42'41''$ East 20.00 feet from the

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Southwest corner thereof; thence South 1°42'41" West along said West line and line extended, 40.00 feet; thence North 88°17'19" West along a line that is parallel to and 40 feet South of the first two described courses in this easement description, 135.00 feet to an intersection with the West line of said tract of land conveyed to Nellie Flynn by instrument dated June 14, 1947 and filed June 23, 1947 under Skagit County Auditor's File No. 405861; thence North 1°42'41" East along said West line, 40.00 feet to the point of beginning.

Situate in the County of Skagit, State of Washington.

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