



200204030085

Skagit County Auditor

4/3/2002 Page 1 of 9 12:43PM

Filed for record at the request of:
Errol Hanson Funding, Inc.
P.O. Box 508
Sedro-Woolley, WA 98284

DOCUMENT TITLE: DEED OF TRUST
GRANTOR: TRONSDAL, HOWARD CURTIS, and TRONSDAL, DEANNE M.
GRANTEE/BENEFICIARY: ERROL HANSON FUNDING, INC.
GRANTEE/TRUSTEE: LAND TITLE COMPANY OF SKAGIT COUNTY
LEGAL DESC.: a ptn of N1/2 of NE1/4 & of Gov. Lot 1, 31-33-4 E W.M.
Lot 161, Cascade River Park No. 1
A ptn of NE1/4 of SE1/4 & of SE1/4 of NE1/4, 6-33-4 E W.M.
TAX PARCEL I.D.: 330431-1-001-0007 (P17552)
330431-1-001-0106 (P17553)
330431-1-003-0005 (P17556)
330431-1-002-0006 (P17554)
330431-0-002-0008 (P17528)
330431-1-001-0300 (P118728)
330431-1-001-0400 (P118729)
330431-1-001-0500 (P118730)
3871-000-161-0005 (P63711)

DEED OF TRUST

THIS DEED OF TRUST, made this 3RD day of April, 2002, between **HOWARD CURTIS TRONSDAL and DEANNE M. TRONSDAL**, husband and wife, **GRANTORS**, whose address is 18662 Milltown Rd., Mount Vernon, WA 98273, **LAND TITLE COMPANY OF SKAGIT COUNTY**, a corporation, **TRUSTEE**, whose address is P.O. Box 445, Burlington, WA 98233, and **ERROL HANSON FUNDING, INC.**, **BENEFICIARY**, whose address is P.O. Box 508, Sedro-Woolley, WA 98284, **WITNESSETH**: Grantors, in consideration of the acceptance by Trustee of the trust hereunder, and of other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and in order to secure the payment of the indebtedness evidenced by the promissory note of even date, with interest thereon, and any other sums payable thereunder and hereunder, and to secure the performance of the obligations contained herein, grant, bargain, sell and convey to Trustee and its successors in Trust and assigns forever, it trust, with power of sale, right of entry, and possession and for the benefit of the Beneficiaries, all of Grantor's estate, right, title, interest, claim and demand in the property located in Skagit County, State of Washington, described as follows:

- (a) Legal Description attached hereto as Schedule "A-1", and incorporated herein by this reference.
- (b) All buildings, structures and other improvements now or hereafter erected on the real property;
- (c) All fixtures and trade fixtures used in association with the improvements on the real property;
- (d) All personal property placed upon or used in conjunction with the real property;

p. 1 of 5 - Deed of Trust

(e) All of the Grantors' rights as landlord in and to all existing and future leases and tenancies, whether written or oral, and any issues or profits thereof.

(f) The rights to the proceeds of sale of any of the foregoing.

The described real property is not used principally for agricultural purposes (which is defined as an operation to produce crops, livestock or aquatic goods), together with all the tenements, hereditaments, and appurtenances now or hereafter thereunto belonging or in any wise appertaining, and the rents, issues and profits thereof.

This deed is for the purpose of securing performance of each agreement of grantor herein contained, and payment of the sum of **THREE HUNDRED NINETY FIVE THOUSAND AND NO/100 (\$395,000.00) DOLLARS**, with interest, in accordance with the terms of a promissory note of even date herewith, payable to Beneficiary or order, and made by Grantors, and all renewals, modifications and extensions thereof, and also such further sums as may be advanced or loaned by Beneficiary to Grantors, or any of their successors or assigns, together with interest thereon at such rate as shall be agreed upon. The term "Grantor" as used in this agreement includes the "Borrower" as defined in RCW 61.24, if the Borrower is a person or entity other than the Grantor.

To protect the security of this Deed of Trust, Grantors covenant and agree:

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. Grantors shall not cause, conduct or permit any nuisance nor commit, permit, or suffer any stripping of or waste on or to the property or any portion of the property. Without limiting the generality of the foregoing, Grantors will not remove, or grant to any other party the right to remove, any timber, minerals (including oil and gas), soil, gravel, or rock products without the prior written consent of Lender.

3. Lender and its agents and representatives may enter upon the Real Property at all reasonable times to attend to Lenders interests and to inspect the property for purposes of Grantors compliance with the terms and conditions of this Deed of Trust.

4. 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.

5. 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 the Beneficiary, and be in such companies as the Beneficiary may approve and have loss payable first to the Beneficiary, as its interest may appear, and then to the Grantors. The amount collected under any insurance policy may be applied upon any indebtedness hereby secured in such order as the Beneficiary shall determine. Such application by the Beneficiary shall not cause discontinuance of any proceedings to foreclose this Deed of Trust. In the event of foreclosure, all rights of the Grantors in insurance policies then in force shall pass to the purchaser at the foreclosure sale.

6. 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 attorney's fees in a reasonable amount, in any such action or proceeding, and in any suit brought by Beneficiary to foreclose this Deed of Trust.

7. To pay all costs, fees and expenses in connection with this Deed of Trust, including the expenses of the Trustee incurred in enforcing the obligation secured hereby and Trustee's fees, attorney's fees, appraisal fees (including those related to any action for a deficiency judgment) actually incurred, as provided by statute.

8. Should Grantors 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

p. 2 of 5 – Deed of Trust



200204030085

Skagit County Auditor

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 Deed of Trust.

9. The Grantor shall not remove any timber or gravel from the described real property without the prior written consent of the Beneficiary. In the event that the Beneficiary provides such consent, a sum equal to one-half of the net proceeds from the timber shall be applied to reduction of the principal balance due on the Note which is secured by this Deed of Trust. In the event that the Beneficiary consents to the removal of gravel from the described real property, the net proceeds from the sale of such gravel shall be applied to reduction of the principal balance due on the Note which is 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 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 default for failure to so pay.

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

4. Each of the following, at the option of the Beneficiary, shall constitute an event of default under this Deed of Trust:

- a. Default in Indebtedness: Failure of Grantors to make any payment when due on the indebtedness.
- b. Default on Other Payments: Failure of Grantors within the time required by this Deed of Trust to make any payment for taxes or any other payment necessary to prevent filing of or to effect discharge of any lien.
- c. Compliance Default: Failure of Grantors to comply with any other term, obligation, covenant or condition contained in this Deed of Trust or Note.
- d. Defective Collateralization: This Deed of Trust ceases to be in full force and effect at any time for any reason.
- e. Foreclosure: Commencement of foreclosure proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Grantors or by any governmental agency against any of the real property described herein.

5. Upon occurrence of any event of default and at any time thereafter, all sums secured hereby shall immediately become due and payable, at the option of the Beneficiary. In such event and upon written request of Beneficiary, Trustee 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. Pursuant to RCW 62.9-501(4), if this deed of trust encumbers both real and personal property, the trustee is authorized to sell all or any portion of the grantor's interest in the real and personal property at the trustee's sale. 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 the sale, including a reasonable Trustee's fee and attorney's fee; (2) to the obligation secured by this Deed of Trust; (3) the surplus, if any, shall be distributed to the persons entitled thereto. With regard to any personal property, fixtures, assignments of choses, such security may be foreclosed as provided herein, or as may otherwise be provided by law.

6. Nothing herein contained shall prohibit Beneficiary from pursuing any other remedy available to it or its successor at law. Specifically, Beneficiary or Trustee shall be entitled to take possession of any property defined as security hereunder, to marshal the assets defined as security hereunder, and to the appointment of a receiver in the manner provided by law, without regard to the sufficiency of the property or any other security for the indebtedness secured hereby, which receiver shall be entitled to collect the rents, profits, proceeds of sale, or other income generated by the property used as security hereunder, and the application of such sums to the indebtedness owed Beneficiary. Beneficiary, or Beneficiary's agent or designee, shall be entitled to act in the capacity of receiver without necessity of appointment by the court having jurisdiction, and without bond. In the event Beneficiary obtains the appointment of a receiver from a court of competent jurisdiction, Beneficiary may so act or may designate Beneficiary's agent so to act, without bond to the extent allowed by law. The costs of such receivership shall be added to and become a part of the debt secured by this



7. 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 his execution of this Deed of Trust, and such as he may have acquired thereafter. 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 encumbrancers for value.

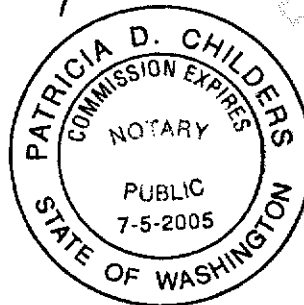
9. In the event of the death, incapacity, disability or resignation of Trustee or the election of the beneficiary to replace the trustee, Beneficiary may appoint in writing a successor trustee, and upon the recording of such appointment in the mortgage records of the county in which this Deed of Trust is recorded, the successor trustee shall be vested with all powers of the original trustee. The 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 a party unless such action or proceeding is brought by the Trustee.

11. This Deed of Trust is personal to the Grantors herein. In the event of the sale, lease, assignment or transfer of all or a part of the Grantors interest in the real property, whether legal, beneficial or equitable, the full balance of principal and interest due on the Note secured by this Deed of Trust shall be due and payable in full.

DEANNE M. TRONSDAL

On this day personally appeared before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, HOWARD CURTIS TRONSDAL and DEANNE M. TRONSDAL, to me known to be the individuals that executed the foregoing instrument, and acknowledged the said instrument to be their free and voluntary act and deed for the uses and purposes therein mentioned.

NOTARY PUBLIC in and for the State of
Washington, residing at Stanwood.
My appointment expires Jun 7-5-05



REQUEST FOR FULL RECONVEYANCE
Do Not Record. To be used only when note has been paid.

TO: TRUSTEE

The undersigned is the legal owner and holder of the note and all other indebtedness secured by the within Deed of Trust. Said note, together with all other indebtedness secured by said Deed of Trust, has been fully paid and satisfied; and you are hereby requested and directed, on payment to you of any sums owing to you under the terms of said Deed of Trust, to cancel said note above mentioned, and all other evidences of indebtedness secured by said Deed of Trust delivered to you herewith, together with the said Deed of Trust, and to reconvey, without warranty, to the parties designated by the terms of said Deed of Trust, all the estate now held by you thereunder.

Dated this _____ day of _____, 20____.



Schedule "A-1"

DESCRIPTION:

PARCEL "A":

Government Lot 1, Section 31, Township 33 North, Range 4 East, W.M., lying East of the Pacific Highway and North of the North line of County road along the South line of said Government Lot 1, EXCEPT that portion of Government Lot 1 conveyed to Dike District No. 16, recorded October 14, 1929, under Auditor's File No. 227612.

TOGETHER WITH the North $\frac{1}{2}$ of the Northeast $\frac{1}{4}$ of said Section 31, Township 33 North, Range 4 East, W.M., EXCEPTING THEREFROM the following described tract:

Beginning at a point 851.5 feet West of section line between said Sections 31 and 32, and on North line of Geo. Nelson Road;
thence North 165 feet;
thence East 32 rods;
thence South 10 rods;
thence West 32 rods to the point of beginning.

ALSO EXCEPTING from all of the above that portion of Government Lot 1, Section 31, Township 33 North, Range 4 East, W.M., and that portion of the North $\frac{1}{2}$ of the Northeast $\frac{1}{4}$ of Section 31, Township 33 North, Range 4 East, W.M., described as follows:

Beginning at the Northeast corner of said Section 31, Township 33 North, Range 4 East, W.M.;
thence North $88^{\circ}15'45''$ West along the North line of said subdivision, a distance of 1,069.81 feet;
thence South $8^{\circ}52'21''$ West a distance of 658.61 feet;
thence South $47^{\circ}52'36''$ West a distance of 115.10 feet to the true point of beginning;
thence continue South $47^{\circ}52'36''$ West to the North right of way line of County road known as the Milltown Road;
thence in a Westerly direction along said right of way line to the intersection with the Easterly right of way of Pacific Highway;
thence Northerly along said East right of way line to a point which bears North $88^{\circ}15'45''$ West from the true point of beginning;
thence South $88^{\circ}15'45''$ East parallel with the North line of the Northeast $\frac{1}{4}$ of said Section 31 to the true point of beginning.

ALSO, EXCEPT that portion conveyed to Dike District No. 16 by deed recorded October 11, 1929, under Auditor's File No. 227599,

ALSO, EXCEPT that portion of the North $\frac{1}{2}$ of the Northeast $\frac{1}{4}$ lying within Skagit County Short Card Sub. No. 99-0034, recorded December 10, 2001, under Auditor's File No. 200112100228, records of Skagit County, Washington.

- continu



200204030085

Skagit County Auditor

Schedule "A-1"

DESCRIPTION CONTINUED:

PARCEL "A" continued:

ALSO, EXCEPT that portion of the Northeast $\frac{1}{4}$ of the Northeast $\frac{1}{4}$, described as follows:

Beginning at the Southwest corner of that certain parcel conveyed to Walter C. Boyd, Jr. on March 7, 1997, under Auditor's File No. 9703120082, records of Skagit County, Washington; thence North along the West boundary of said Boyd parcel, for a distance of 165.00 feet to the Northwest corner of said parcel; thence West on the Westerly extension of the North line of said Boyd parcel, for a distance of 50.00 feet; thence South parallel with said West line for a distance of 165.00 feet to the West extension of the South line of said Boyd parcel; thence East along said South line for a distance of 50.00 feet to the point of beginning.

Situate in the County of Skagit, State of Washington.

PARCEL "B":

Government Lot 1 in Section 31, Township 33 North, Range 4 East, W.M., lying West of the Great Northern Railway Company right of way, EXCEPT the following described tracts:

1.) Beginning at the Northwest corner of said Lot 1, Section 31, Township 33 North, Range 4 East, W.M.; thence running East to right of way of Seattle and Montana Railroad; thence South along said right of way to a point 26 feet South of what is known as C. H. Mann's Store; thence West to the East bank of Tom Moore's Slough; thence in a Northerly direction along bank of said slough to point of beginning, all as conveyed to C. H. Mann by Deed recorded May 22, 1893, in Volume 28 of Deeds, page 68, records of Skagit County, Washington.

2.) All that portion of Lot 1 in Section 31, Township 33 North, Range 4 East, W.M., in Skagit County, Washington, particularly described as follows, to-wit:

Beginning at a point 40 feet North of the South line of said lot and on the bank of Tom Moore's Slough; thence running North along the East bank of said Tom Moore's Slough a distance of 50 feet; thence East to the County road a distance of about 75 feet; thence South along the said County road 50 feet to a point due East of the point of beginning; thence due West about 75 feet to the point of beginning.

- continued -



200204030085
Skagit County Auditor

DESCRIPTION CONTINUED:

PARCEL "B" continued:

3.) Beginning at a point on the West side of the right of way of the Seattle and Montana Railroad Company, said point being at the Southeast corner of a certain tract of land known as the Mann Tract as described in Volume 28 of Deeds, page 68, records of Skagit County, Washington, and being in the Northwest $\frac{1}{4}$ of Section 31, Township 33 North, Range 4 East, W.M.;
thence South along said right of way a distance of 430 feet;
thence West to the bank of Tom Moore's Slough;
thence Northerly following said slough bank to a point directly West of the point of beginning;
thence East to the point of beginning.

4.) That portion conveyed to Skagit County for road purposes by Deed recorded May 10, 1967, under Auditor's File No. 698849.

Situate in the County of Skagit, State of Washington.

PARCEL "C":

Lots 1, 2, 3 and 4 of Skagit County Short Card Sub. No. 99-0034, recorded December 10, 2001, under Auditor's File No. 200112100228, records of Skagit County, Washington.

TOGETHER WITH an easement for ingress, egress and utilities over and across the following described real property:

That portion of the Northeast $\frac{1}{4}$ of the Northeast $\frac{1}{4}$ of Section 31, Township 33 North, Range 4 East, W.M., described as follows:

Beginning at the Northeast corner of said subdivision;
thence South $2^{\circ}13'26''$ West, along the East line of said Section 31, a distance of 495 feet;
thence North $88^{\circ}24'11''$ West, a distance of 50.00 feet;
thence North $88^{\circ}24'11''$ West a distance of 221.75 feet;
thence South $1^{\circ}38'21''$ West, a distance of 122.00 feet to the point of beginning;
thence North $88^{\circ}24'11''$ West a distance of 60.00 feet;
thence South $1^{\circ}38'21''$ West to the North boundary of the existing Milltown Road;
thence East along the Northerly boundary of Milltown Road, a distance of 60.00 feet;
thence North $1^{\circ}38'21''$ East to the point of beginning.

Situate in the County of Skagit, State of Washington.

- continued -



200204030085

Skagit County Auditor

4/3/2002 Page 8 of 9 12:43PM

DESCRIPTION CONTINUED:

PARCEL "D":

The Southwest $\frac{1}{4}$ of the Northeast $\frac{1}{4}$, Section 31, Township 33 North, Range 4 East, W.M., EXCEPT Dike right of way, EXCEPT Starbird Road, AND EXCEPT that portion conveyed to Skagit County Road by deed recorded March 16, 1932, in Volume 159 of Deeds, page 322, records of Skagit County, Washington.

Situate in the County of Skagit, State of Washington.

PARCEL "G":

Lot 161, "CASCADE RIVER PARK NO. 1", as per plat recorded in Volume 8 of Plats, pages 54 through 59, inclusive, records of Skagit County, Washington.

Situate in the County of Skagit, State of Washington.



200204030085
Skagit County Auditor

4/3/2002 Page 9 of 9 12:43PM