

200404160126
Skagit County Auditor

4/16/2004 Page 1 of 4 12:30PM

Return Address

Rural Washington Loan Fund – Steve Saylor
Department of Community, Trade and Economic Development
128 10th Ave. SW
PO Box 42525
Olympia, WA 98504-2525

DEED OF TRUST

Indexing information required by the Washington State Auditor's/Recorder's Office, (RCW 36.18 and RCW 65.04) 1/97:
Reference # (If applicable): _____
Grantor(s) (Borrower): (1) Roger P. Wechsler
Grantee(s) (Beneficiary/Trustee): (1) City of Sedro Woolley
2) Stewart Title Abbreviated Legal Description: A PTN of Gov lots 1,2 & 3, 21-36-3 E.W.M. NE ¼ of NW ¼, 34-36-3 E.W.M.
Add'l legal is on pg. 3+4 Assessor's Property tax Parcel/Account #: 360321-0-002-0008; 360321-0-012-0006; 360321-0-029-0007; 360321-0-029-0100; 360321-0-030-0004; 360334-2-001-0018

THIS DEED OF TRUST, made this 13 day of April, 2004, between Roger P. Wechsler, as GRANTOR, whose address is 15153 Colony Road, Bow WA 98232 and Stewart Title Company, a corporation, TRUSTEE, whose address is 2200 Rimland Drive, Suite 110, Bellingham, WA 98226 and the City of Sedro Woolley, BENEFICIARY, whose address is 720 Murdock Street, Sedro Woolley, WA 98284.

WITNESSETH: Grantor hereby bargains, sells and conveys to Trustee in Trust, with power of sale, the following described real property in Skagit County, Washington:

See legal description attached hereto as Exhibit A.

TOGETHER WITH all appurtenances belonging thereto.

TOGETHER WITH and SUBJECT TO domestic and irrigation water rights and matter.

This Deed of Trust secures Roger P. Wechsler's personal guarantee of a loan in the amount of \$700,000 from the City of Sedro Woolley to Rootabaga Enterprises Inc. dba CF Fresh.

This deed is for the purpose of securing performance of each agreement of grantor herein contained and payment of the sum of Seven hundred thousand and ⁰⁰/100 dollars (\$700,000.00) with interest, in accordance with the terms of a 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 their 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.
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 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 Grantor. 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 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 right 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.

5. 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 and attorney's 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 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.

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. 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 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. 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.

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 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 purchaser and encumbrancers 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 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.

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 and assigns. The term Beneficiary shall mean the holder and owner of the note secured hereby, whether or not named as Beneficiary herein.

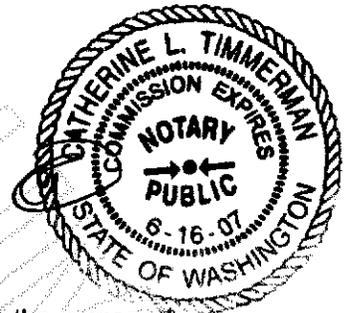
Witness the hand(s) of the Grantor(s) on the day and year first above written.

Roger P. Wechsler

STATE OF WASHINGTON

County of Skagit

SS. (INDIVIDUAL ACKNOWLEDGEMENT)



I certify that I know or have satisfactory evidence that Roger P. Wechsler is the person who appeared before me, and said person acknowledges that he signed this instrument and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in the instrument.

Dated is 13th day of April, 2004

Print Name Catherine L. Timmerman

Notary Public in and for the State of WA
My appointment expires: 6-16-07



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EXHIBIT A

PARCEL "A":

That portion of Government Lot 1, Section 21, Township 36 North, Range 3 East, W.M., lying West of the West line of the Pacific Northwest Traction Company's right of way and Southerly of the most Southerly meander line of said Government Lot 1.

Situate in the County of Skagit, State of Washington.

PARCEL "B":

Government Lot 2, Section 21, Township 36 North, Range 3 East, W.M., EXCEPT that portion conveyed to the Seattle and Montana Railway Company by instrument recorded September 16, 1901 in Volume 43 of Deeds, page 194, EXCEPT that portion conveyed to the Bellingham and Skagit Railway company by instrument recorded February 29, 1911, in Volume 87 of Deeds, page 235, EXCEPT those portions conveyed to the State of Washington by instruments recorded June 5, 1918, January 6, 1931 and January 14, 1931 in Volume 110, page 405, Volume 156, page 370 and volume 156, page 440, respectively, EXCEPT that portion conveyed to Drainage District No. 18 by Deed recorded April 17, 1946, under Auditor's File No. 390769, EXCEPT that portion described as follows:

Beginning at a point which is 531.5 feet West of the quarter section corner on the East line of Section 21, Township 36 North, Range 3 East, W.M.;

- thence West 165.0 feet;
- thence North 36°58' East 67.3 feet;
- thence North 50°13' West 668.9 feet;
- thence South 89°34' East 215.5 feet;
- thence South 72°10' East 368.2 feet;
- thence South 22°39' East 318.0 feet;
- thence South 34°00' West 86.4 feet to the point of beginning.

Situate in the County of Skagit, State of Washington.



200404160126
Skagit County Auditor

PARCEL "C":

Government Lot 3, Section 21, Township 36 North, Range 3 East, W.M.,

EXCEPT those portions conveyed to the Bellingham and Skagit Railway Company by Deeds recorded September 9, 1911 and September 27, 1911 in Volume 87 of Deeds, pages 167 and 230, respectively,

EXCEPT that portion conveyed to Drainage District No. 18 by Deed recorded April 17, 1946, under Auditor's File No. 390772.

Situated in the County of Skagit, State of Washington.

PARCEL "D":

TOGETHER WITH a non-exclusive easement for ingress and egress over and across a 20 foot strip, the centerline of which lies 10 feet North of and parallel to the easement granted to Puget Sound Power & Light Company in document recorded October 6, 1986, under Auditor's File No. 8610060045, lying Westerly of Highway known as Chuckanut Drive as said easement affects the following described property:

That portion of the Southwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of Section 22, Township 36 North, Range 3 East, W.M., lying West of the right of way line of the Great Northern Railway,

EXCEPT road and highway right of way.

Situated in the County of Skagit, State of Washington.

PARCEL "E":

The Northeast $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of Section 34, Township 36 North, Range 3 East, W.M.,

EXCEPT that portion conveyed for the right of way by deed recorded on September 23, 1896 under Auditor's File No. 25114, records of Skagit County, Washington.

Situated in the County of Skagit, State of Washington.



200404160126

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4/16/2004 Page

4 of

4 12:30PM