

RETURN ADDRESS:

Wells Fargo Bank, National
Association
BBG- Boise Loan
Operations Center, MAC
#U1851-015
3033 Elder Street
Boise, ID 83705



200509260134
Skagit County Auditor

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ASSIGNMENT OF DEED OF TRUST

Reference # (if applicable): 200502090062

Additional on page ____

Grantor(s):

1. Schenk Packing Co., Inc.

Grantee(s)

1. Wells Fargo Bank, National Association

Legal Description: PTN LOT C, SP 1-86 & NE1/4 SW1/4, 32-34-4E WM

Additional on page ____

Assessor's Tax Parcel ID#: P29349; P29360; P29375



20005538815600060

THIS ASSIGNMENT OF DEED OF TRUST dated August 31, 2005, is made and executed between Schenk Packing Co., Inc., also shown of record as SCHENK PACKING COMPANY, INC. whose address is 8204 238th Street Northwest, Stanwood, WA 98292-9525 (referred to below as "Assignor") and Wells Fargo Bank, National Association, whose mailing address is 205 108th Avenue NE, Suite 500, Bellevue, WA 98004 (referred to below as "Assignee").

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DEED OF TRUST. Schenk Packing Co., Inc., the Grantor, executed and granted to Land Title Company, as Trustee, for the benefit of Garrick E. Sager, the Beneficiary, the following described Deed of Trust dated January 27, 2004 (the "Deed of Trust") which has been recorded in Skagit County, State of Washington, as follows:

Recorded February 9, 2005 in the Skagit County Auditor as Instrument #200502090062 .

REAL PROPERTY DESCRIPTION. The Deed of Trust covers the following described real property located in Skagit County, State of Washington:

See Exhibit "A", which is attached to this Assignment and made a part of this Assignment as if fully set forth herein.

The Real Property or its address is commonly known as 3808 Cedardale Road, Mt Vernon, WA 98274. The Real Property tax identification number is P29349; P29360; P29375

ASSIGNMENT OF DEED OF TRUST. For valuable consideration, Assignor hereby assigns and conveys to Assignee all of Assignor's right, title, and interest in and to the above described Deed of Trust, together with all of Assignor's right, title and interest in and to the promissory note or notes (or other credit agreements) secured by the Deed of Trust.

FURTHER ASSURANCES. The parties hereto agree to do all things deemed necessary by Lender in order to fully document the loan evidenced by this Note and any related agreements, and will fully cooperate concerning the execution and delivery of security agreements, stock powers, instructions and/or other documents pertaining to any collateral intended to secure the Indebtedness. The undersigned agree to assist in the cure of any defects in the execution, delivery or substance of the Note and related agreements, and in the creation and perfection of any liens, security interests or other collateral rights securing the Note.

CONSENT TO SELL LOAN. The parties hereto agree: (a) Lender may sell or transfer all or part of this loan to one or more purchasers, whether related or unrelated to Lender; (b) Lender may provide to any purchaser, or potential purchaser, any information or knowledge Lender may have about the parties or about any other matter relating to this loan obligation, and the parties waive any rights to privacy it may have with respect to such matters; (c) the purchaser of a loan will be considered its absolute owner and will have all the rights granted under the loan documents or agreements governing the sale of the loan; and (d) the purchaser of a loan may enforce its interests irrespective of any claims or defenses that the parties may have against Lender.

FACSIMILE AND COUNTERPART. This document may be signed in any number of separate copies, each of which shall be effective as an original, but all of which taken together shall constitute a single document. An electronic transmission or other facsimile of this document or any related document shall be deemed an original and shall be admissible as evidence of the document and the signer's execution.

ARBITRATION AGREEMENT. Arbitration - Binding Arbitration. Lender and each party to this agreement hereby agree, upon demand by any party, to submit any Dispute to binding arbitration in accordance with the terms of this Arbitration Program. A "Dispute" shall include any dispute, claim or controversy of any kind, whether in contract or in tort, Legal or equitable, now existing or hereafter arising, relating in any way to this Agreement or any related agreement incorporating this Arbitration Program (the "Documents"), or any past, present, or future loans, transactions, contracts, agreements, relationships, incidents or injuries of any kind whatsoever relating to or involving Business Banking, Regional Banking, or any successor group or department of Lender. **DISPUTES SUBMITTED TO ARBITRATION ARE NOT RESOLVED IN COURT BY A JUDGE OR JURY.**

Governing Rules. Any arbitration proceeding will (i) be governed by the Federal Arbitration Act (Title 9 of the United States Code), notwithstanding any conflicting choice of law provision in any of the documents between the parties; and (ii) be conducted by the AAA (American Arbitration Association), or such other administrator as the parties shall mutually agree upon, in accordance with the AAA's commercial dispute resolution procedures, unless the claim or counterclaim is at least \$1,000,000.00 exclusive of claimed interest, arbitration fees and costs in which case the arbitration shall be conducted in accordance with the AAA's optional procedures for large, complex commercial disputes (the commercial dispute resolution procedures or the optional procedures for large, complex commercial disputes to be referred to, as applicable, as the "Rules"). If there is any inconsistency between the terms hereof and the Rules, the terms and procedures set forth herein shall control. Arbitration proceedings hereunder shall be conducted at a location mutually agreeable to the parties, or if they cannot agree, then at a location selected by the AAA in the state of the applicable substantive law primarily governing the Credit. Any party who fails or refuses to submit to arbitration following a demand by any other party shall bear all costs and expenses incurred by such other party in compelling arbitration of any Dispute. Arbitration may be demanded at any time, and may be compelled by summary proceedings in Court. The institution and maintenance of an action for judicial relief or pursuit of a provisional or ancillary remedy shall not constitute a waiver of the right of any party, including the plaintiff, to submit the controversy or claim to arbitration if any other party contests such action for judicial relief. The arbitrator shall award all costs and expenses of the arbitration proceeding. Nothing contained herein shall be deemed to be a waiver by any party that is a Bank of the protections afforded to it under 12 U.S.C. §91 or any similar applicable state law.



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No Waiver of Provisional Remedies, Self-Help and Foreclosure. The arbitration requirement does not limit the right of any party to (i) foreclose against real or personal property collateral; (ii) exercise self-help remedies relating to collateral or proceeds of collateral such as setoff or repossession; or (iii) obtain provisional or ancillary remedies such as replevin, injunctive relief, attachment or the appointment of a receiver, before during or after the pendency of any arbitration proceeding. This exclusion does not constitute a waiver of the right or obligation of any party to submit any Dispute to arbitration or reference hereunder, including those arising from the exercise of the actions detailed in sections (i), (ii) and (iii) of this paragraph.

Arbitrator Qualifications and Powers. Any arbitration proceeding in which the amount in controversy is \$5,000,000.00 or less will be decided by a single arbitrator selected according to the Rules, and who shall not render an award of greater than \$5,000,000.00. Any Dispute in which the amount in controversy exceeds \$5,000,000.00 shall be decided by majority vote of a panel of three arbitrators; provided however, that all three arbitrators must actively participate in all hearings and deliberations. Every arbitrator must be a practicing attorney or a retired member of the state or federal judiciary, in either case with a minimum of ten years experience in the substantive law applicable to the subject matter of the Dispute. The arbitrator will determine whether or not an issue is arbitratable and will give effect to the statutes of limitation in determining any claim. In any arbitration proceeding the arbitrator will decide (by documents only or with a hearing at the arbitrator's discretion) any pre-hearing motions which are similar to motions to dismiss for failure to state a claim or motions for summary adjudication. The arbitrator shall resolve all Disputes in accordance with the applicable substantive law and may grant any remedy or relief that a court of such state could order or grant within the scope hereof and such ancillary relief as is necessary to make effective any award. The arbitrator shall also have the power to award recovery of all costs and fees, to impose sanctions and to take such other action as the arbitrator deems necessary to the same extent a judge could pursuant to the Federal Rules of Civil Procedure, the applicable State Rules of Civil Procedure, or other applicable law. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction.

Discovery. In any arbitration proceeding discovery will be permitted in accordance with the Rules. All discovery shall be expressly limited to matters directly relevant to the Dispute being arbitrated and must be completed no later than 20 days before the hearing date and within 180 days of the filing of the Dispute with the AAA. Any requests for an extension of the discovery periods, or any discovery disputes, will be subject to final determination by the arbitrator upon a showing that the request for discovery is essential for the party's presentation and that no alternative means for obtaining information is available.

Miscellaneous. To the maximum extent practicable, the AAA, the arbitrators and the parties shall take all action required to conclude any arbitration proceeding within 180 days of the filing of the Dispute with the AAA. The resolution of any Dispute shall be determined by a separate arbitration proceeding and such Dispute shall not be consolidated with other disputes or included in any class proceeding. No arbitrator or other party to an arbitration proceeding may disclose the existence, content or results thereof, except for disclosures of information by a party required in the ordinary course of its business or by applicable law or regulation. If more than one agreement for arbitration by or between the parties potentially applies to a Dispute, the arbitration provision most directly related to the documents between the parties or the subject matter of the Dispute shall control. This arbitration provision shall survive termination, amendment or expiration of any of the documents or any relationship between the parties.

State-Specific Provisions.

If California law governs the Dispute, the following provision is included:

Real Property Collateral; Judicial Reference. Notwithstanding anything herein to the contrary, no Dispute shall be submitted to arbitration if the Dispute concerns indebtedness secured directly or indirectly, in whole or in part, by any real property unless the holder of the mortgage, lien or security interest specifically elects in writing to proceed with the arbitration. If any such Dispute is not submitted to arbitration, the Dispute shall, at the election of any party, be referred to a referee in accordance with California Code of Civil Procedure Section 638 et seq., and this general reference agreement is intended to be specifically enforceable in accordance with said Section 638. A referee with the qualifications required herein for arbitrators shall be selected pursuant to the AAA's selection procedures. Judgment upon the decision rendered by a referee shall be entered in the court in which such proceeding was commenced in accordance with California Code of Civil Procedure Sections 644 and 645.

If Idaho law governs the Dispute, the following provision is included:

Real Property Collateral; Judicial Reference. Notwithstanding anything herein to the contrary, no dispute shall be submitted to arbitration if the dispute concerns indebtedness secured directly or indirectly, in whole or in part, by any real property unless (i) the holder of the mortgage, lien or security interest specifically elects in writing to proceed with the arbitration, or (ii) all parties to the arbitration waive any rights or benefits that might accrue to them by virtue of the single action rule statute of Idaho, thereby agreeing that all indebtedness and obligations of the parties, and all mortgages, liens and security interests securing such indebtedness and obligations, shall remain fully valid and



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enforceable.

If Montana law governs the Dispute, the following provision is included:

Real Property Collateral; Judicial Reference. Notwithstanding anything herein to the contrary, no dispute shall be submitted to arbitration if the dispute concerns indebtedness secured directly or indirectly, in whole or in part, by any real property unless (i) the holder of the mortgage, lien or security interest specifically elects in writing to proceed with the arbitration, or (ii) all parties to the arbitration waive any rights or benefits that might accrue to them by virtue of the single action rule statute of Montana, thereby agreeing that all indebtedness and obligations of the parties, and all mortgages, liens and security interests securing such indebtedness and obligations, shall remain fully valid and enforceable.

If Nevada law governs the Dispute, the following provision is included:

Real Property Collateral; Judicial Reference. Notwithstanding anything herein to the contrary, no dispute shall be submitted to arbitration if the dispute concerns indebtedness secured directly or indirectly, in whole or in part, by any real property unless (i) the holder of the mortgage, lien or security interest specifically elects in writing to proceed with the arbitration, or (ii) all parties to the arbitration waive any rights or benefits that might accrue to them by virtue of the single action rule statute of Nevada, thereby agreeing that all indebtedness and obligations of the parties, and all mortgages, liens and security interests securing such indebtedness and obligations, shall remain fully valid and enforceable.

If Utah law governs the Dispute, the following provision is included:

Real Property Collateral; Judicial Reference. Notwithstanding anything herein to the contrary, no Dispute shall be submitted to arbitration if the Dispute concerns indebtedness secured directly or indirectly, in whole or in part, by any real property unless the holder of the mortgage, lien or security interest specifically elects in writing to proceed with the arbitration. If any such Dispute is not submitted to arbitration, the Dispute shall, at the election of any party, be referred to a master in accordance with Utah Rule of Civil Procedure 53, and this general reference agreement is intended to be specifically enforceable. A master with the qualifications required herein for arbitrators shall be selected pursuant to the AAA's selection procedures. Judgment upon the decision rendered by a master shall be entered in the court in which such proceeding was commenced in accordance with Utah Rule of Civil Procedure 53(e).

ASSIGNOR:

SCHENK PACKING CO., INC.

By: 

Steven G. Lenz, President of Schenk Packing Co., Inc.



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CORPORATE ACKNOWLEDGMENT

STATE OF Washington)
) SS
COUNTY OF Snohomish)

On this 30th day of August, 2005, before me, the undersigned Notary Public, personally appeared Steven G. Lenz, President of Schenk Packing Co., Inc., and personally known to me or proved to me on the basis of satisfactory evidence to be an authorized agent of the corporation that executed the Assignment of Deed of Trust and acknowledged the Assignment to be the free and voluntary act and deed of the corporation, by authority of its Bylaws or by resolution of its board of directors, for the uses and purposes therein mentioned, and on oath stated that he or she is authorized to execute this Assignment and in fact executed the Assignment on behalf of the corporation.

By Marcel Ann Lenz
Notary Public in and for the State of Washington

Residing at Stanwood, Washington

My commission expires August 1, 2007



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**ASSIGNMENT OF DEED OF TRUST
EXHIBIT "A"**

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PARCEL "A":

That portion of the Northeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 32, Township 34 North, Range 4 East, W.M., described as follows:

Beginning at a point 1,973 feet North of the Southwest corner of the Southeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of said Section;
thence North 197 feet, more or less, to a point 470 feet South of the Northwest corner of said Northeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$;
thence East to center of slough;
thence in a Southwesterly direction down center of said slough to a point due East of beginning;
thence West to beginning,

EXCEPT the West 16 feet for road,

AND EXCEPT drainage ditch rights of way,

AND EXCEPT those portions conveyed to the State of Washington by Deeds recorded under Auditor's File Nos. 537748 and 754330.

ALSO, that portion of the Northeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 32, Township 34 North, Range 4 East, W.M., described as follows:

Beginning at a point on the South line of the North $\frac{1}{2}$ of the Northeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of said Section 32, a distance of 396 feet West of the Southeast corner thereof;
thence Northerly along a straight line, that if projected would intersect the North line of said Northeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ at a point 315 feet West of the Northeast corner thereof, to a point due East of a point on the West line of said Northeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ that is 470 feet South of the Northwest corner thereof;
thence West to the center of the slough;
thence Southerly along the center of said slough to the South line of the North $\frac{1}{2}$ of the Northwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of said subdivision;
thence East to the point of beginning,

EXCEPT drainage ditch rights of way.

Situate in the County of Skagit, State of Washington.

PARCEL "B":

The South 70 feet, EXCEPT the West 35 feet thereof, and the East 35 feet of the West 70 feet of Lot C, Short Plat No. 1-86, ALSO the South 70 feet of Lot D of said Short Plat No. 1-86 (as measured along the East line of Lot C) approved March 7, 1986, recorded March 7, 1986 in Book 7 of Short Plats, page 76, under Auditor's File No. 8603070013 and being a portion of the Northeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 32, Township 34 North, Range 4 East, W.M.

Situate in the County of Skagit, State of Washington.



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