

Slinde Nelson Stanford
1740 US Bancorp Tower
111 SW Fifth Ave.
Portland, OR 97204



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Skagit County Auditor \$155.00
10/23/2013 Page 1 of 11 3:17PM

DEED OF TRUST AND ASSIGNMENT OF RENTS

“Beneficiary”: Donald and Wonona Kaaland
9029 Collins Road
Sedro Wooley, WA 98284

LAND TITLE OF SKAGIT COUNTY

GRANTOR hereby bargains, sells, and conveys to Trustee in trust, with power of sale, the real property in Skagit County, Washington, commonly known as 8354 South Healy Road, Sedro Woolley, WA 98284 and legally described as follows:

P41286 / abb legal: SE NE, 16-35-6 E W.M.

Tax Parcel Number(s): 350616-1-008-0005, P41286,

which real property is not used principally for agricultural or farming purposes, 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 (the "Property").

Grantor agrees as follows:

1. Grantor Covenants. To protect the security of this Deed of Trust, Grantor covenants and agrees:

1.1 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.

1.2 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.

1.3 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.

1.4 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 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.

1.5 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.

2. Beneficiary's Right to Cure Nonpayment. If Grantor fails to pay when due any taxes, assessments, insurance premiums, liens, encumbrances, or other charges against the Property hereinabove described, then 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.



201310290067

3. Due On Sale. All amounts due under the Note and this Deed of Trust shall be immediately due and payable if Grantor assigns, transfers, or conveys any portion of the Property.

4. Condemnation. If any portion of the Property is taken or damaged in an eminent domain proceeding, then the entire amount of the award or such portion as may be necessary to fully satisfy the obligation secured by this Deed of Trust shall be paid to Beneficiary to be applied to said obligation.

5. Waiver. Any provision or condition of this Deed of Trust may be waived at any time, in writing, by the party entitled to the benefit of such provision or condition. Waiver of any breach of any provision shall not be a waiver of any succeeding breach of the provision or a waiver of the provision itself or any other provision.

6. Reconveyance. 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.

7. Events of Default. Grantor shall be in default under this Deed of Trust upon the occurrence of any of the following events or conditions (each "Event of Default");

7.1 If Grantor fails to cure any breach of an obligation hereunder within ten (10) days after receiving notice of such breach from Beneficiary.

7.2 If any Event of Default occurs under Section 6.1 or 6.3 of the Note (as defined therein) or under Section 6.1 or 6.3 of the Security Agreement executed by Grantor's affiliate Skagit River Reman Company in favor of Beneficiary (as defined therein).

8. Remedies.

8.1 If any Event of Default occurs, then 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 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; and (3) the surplus, if any, shall be distributed to the persons entitled thereto. Trustee shall deliver to the purchaser at the sale its deed, without warranty, which shall convey to the purchaser all right, title and interest in the Property which Grantor had or had the power to convey at the time of the execution of this Deed of Trust, and such as Grantor 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 encumbrances for value.



201310290067

8.2 If any Event of Default occurs, then Beneficiary may enter into possession of the Property, with or without legal action, collect from tenants all rentals then due or to become due (which rents shall also include sums payable for use and occupation) and, after deducting all costs of collection and administration expenses, apply the net rentals to any and all of the following in such order and amounts as Beneficiary, in Beneficiary's sole discretion, may elect: to the payment of any sums due for insurance premiums, taxes, water and sewer rights, charges and claims and all other carrying charges, and to the maintenance, repair or restoration of the Property, and on account and in reduction of the principal interest or any other sums hereby secured. In an for that purpose, Grantor hereby assigns to Beneficiary all rentals due and to become due under any lease or leases or rights to use and occupation of the Property presently or hereafter created, as well as all rights and remedies provided in such lease or leases or at law or in equity for the collection of the rentals. Beneficiaries shall have the right for the same Event of Default or any subsequent Event of Default to bring one or more actions to recover possession of the Property. Beneficiary may bring such action before or after a sheriff's sale or judicial sale or other foreclosure sale of the Property in which Beneficiary is the successful bidder. Beneficiary may seek possession of the Property before or after (i) the institution of foreclosure proceedings under this Deed of Trust; (ii) the entry of judgment thereunder or under the Note; or (iii) a sheriff's sale of any part of the Property in which Beneficiary is the successful bidder, it being the understanding of the parties that the authorization to pursue such proceedings for obtaining possession is an essential part of the remedies for enforcement of the Deed of Trust and Note and shall survive any execution sale to Beneficiary. If, for any reason after such action has been commenced, it shall be discontinued, or possession of the Property shall remain in or be restored to Grantor, then Beneficiary shall have the right for the same Event of Default or any subsequent Event of Default to bring one or more further amicable actions as above provided to recover possession of the Property.

9. Non-Exclusive Remedies. The power of sale conferred by this Deed of Trust and by the Deed of Trust Act of the State of Washington, and the other rights conferred by this Deed of Trust, are not exclusive remedies for an Event of Default; Beneficiary may cause this Deed of Trust to be foreclosed as a mortgage and/or exercise any other remedies available under applicable law.

10. Successor Trustee. In the event of the death, incapacity, disability, or resignation of Trustee, or at the discretion of the Beneficiary, 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 an action or proceeding in which Grantor, Trustee, or Beneficiary shall be a party unless such action or proceeding is brought by the Trustee.



201310290067

Skagit County Auditor

10/29/2013 Page

4 of

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11. Binding Effect. This Deed of Trust applies to, inures to the benefit of, and is binding not only on the parties hereto, but on his/her/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.

12. Assignment. Neither this Deed of Trust nor any of the rights, interests, or obligations under this Deed of Trust shall be assigned by any party without the prior written consent of the other parties, which consent will not be unreasonably withheld.

13. No Third-Party Beneficiaries. Nothing in this Deed of Trust, express or implied, is intended or shall be construed to confer on any person, other than the parties to this Deed of Trust, any right, remedy, or claim under or with respect to this Deed of Trust.

14. Notices. All notices, requests and other communications hereunder ("Notices") shall be in writing and shall be deemed to have been duly given if directed to the applicable party(ies) at his/its respective addresses set forth below, which Notice shall be effective at the time indicated if given in the following manner:

14.1 When delivered, if personally delivered by hand;

14.2 72 hours after mailing if mailed postage prepaid, by registered or certified mail, return receipt requested, with an additional copy mailed to the addressee by regular mail; or

14.3 At 5:00 p.m. (in the applicable time zone) on the day after the Notice is mailed to the addressee by a nationally recognized overnight mail service which guarantees next day delivery and provides tracking services with respect to such delivery.

The addresses for all Notice purposes under this Deed of Trust shall be as set forth on Page 1 of this Deed of Trust. However, if any party shall have designated in the manner provided above a different address by Notice to the others, then Notice shall be to the last address so designated.

15. Amendments. This Deed of Trust may be amended only by an instrument in writing executed by all the parties and duly recorded in Skagit County, Washington.

16. Construction. The captions used in this Deed of Trust are provided for convenience only and shall not affect the meaning or interpretation of any provision of this Deed of Trust. All references in this Deed of Trust to "Section" or "Sections" without additional identification refer to the Section or Sections of this Deed of Trust. All words used in this Deed of Trust shall be construed to be of such gender or number as the circumstances require. Whenever the words *include* or *including* are used in this Deed of Trust, they shall be deemed to be followed by the words *without limitation*.



17. Further Assurances. Grantor agrees to execute and deliver such other documents and to do and perform such other acts and things, as any Beneficiary may reasonably request, in order to carry out the intent and accomplish the purposes of this Deed of Trust.

18. Time of Essence. Time is of the essence with respect to all dates and time periods set forth or referred to in this Deed of Trust.

19. Expenses. Except as otherwise expressly provided in this Deed of Trust, each party to this Deed of Trust will bear the party's own expenses in connection with the preparation, execution, and performance of this Deed of Trust and the transactions contemplated by this Deed of Trust. Grantor shall pay the costs of recording this Deed of Trust.

20. Governing Law. This Deed of Trust shall be governed by and construed in accordance with the laws of the State of Washington, without regard to conflict-of-laws principles.

21. Attorney Fees. If any suit or action is instituted to interpret or enforce the provisions of this Deed of Trust, to rescind this Deed of Trust, or otherwise with respect to the subject matter of this Deed of Trust, the prevailing party shall be entitled to recover, in addition to costs, reasonable attorney fees and expert fees incurred in preparation or in prosecution or defense of such suit or action as determined by the trial court, arbitrator, or other decision maker, and if any appeal is taken from such decision, reasonable attorney fees, expert fees, and other costs as determined on appeal. The prevailing party question shall be determined by the court or other tribunal based on the totality of the issues involved and the results obtained.

22. Injunctive and Other Equitable Relief. Grantor agrees that the remedy at law for any breach or threatened breach by Grantor, by its nature, be inadequate, and that the Beneficiary shall be entitled, in addition to damages, to a restraining order, temporary and permanent injunctive relief, specific performance, and other appropriate equitable relief, without showing or proving that any monetary damage has been sustained.

23. Jurisdiction and Venue. Any action or proceeding seeking to enforce any provision of, or based on any right arising out of, this Deed of Trust shall be brought against any of the parties in the Superior Court of the State of Washington for Skagit County, or, subject to applicable jurisdictional requirements, in the United States District Court for the District of Washington, and each of the parties consents to the jurisdiction of such courts (and of the appropriate appellate courts) in any such action or proceeding and waives any objection to such venue.

24. Exhibits. The exhibits referenced in this Deed of Trust are a part of this Deed of Trust as if fully set forth in this Deed of Trust.


25. Severability. If any provision of this Deed of Trust is invalid or unenforceable in any respect for any reason, the validity and enforceability of any such provision in any other respect and of the remaining provisions of this Deed of Trust shall not be in any way impaired.

26. Entire Agreement. This Deed of Trust (including the documents and instruments referred to in this Deed of Trust) constitutes the entire agreement and understanding of the parties with respect to the subject matter of this Deed of Trust and supersedes all prior understandings and agreements, whether written or oral, among the parties with respect to such subject matter.

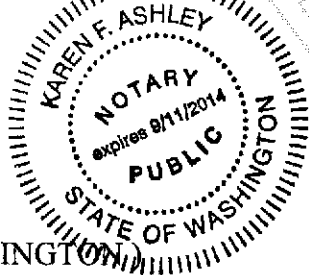
SIGNATURE APPEARS ON NEXT PAGE

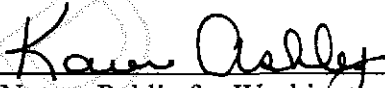
STATE OF WASHINGTON)
) ss.
County of Skagit)

GRANTOR:
WESTERN REMAN COMPANY

By: 
Don Dorazio, President

The foregoing instrument was acknowledged before me this 22nd day of October 2013 2013, by Don Dorazio, as ~~President~~ of Western Reman Company, a Washington corporation.



By: 
Notary Public for Washington
My Commission Expires: 9-11-2014

STATE OF WASHINGTON)
) ss.
County of Skagit)



EXHIBIT A
LEGAL DESCRIPTION

(To be attached.)



201310290067

Schedule "A-1"

147823-OE

DESCRIPTION:

PARCEL "A":

All that portion of the Northwest $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ of Section 16, Township 35 North, Range 6 East, W.M., lying and being North of Etach or Minkler Creek.

ALSO, all that portion of the Northeast $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ of Section 16, Township 35 North, Range 6 East, W.M., lying and being North of Etach Creek,

EXCEPT the following described tract conveyed to Fred C. Hunger and Linda M. Hunger, husband and wife, by Deed dated March 27, 1990, and recorded under Auditor's File No. 9003270024;

Beginning at the Northeast corner of the Northeast $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ of said Section 16;
thence West 388 feet;
thence South 148 feet;
thence East 388 feet to the East line of said Section;
thence North along said line 148 feet to the point of beginning.

EXCEPT from all of the above described property that portion conveyed to Skagit County for road purposes by Deed recorded January 8, 1897, in Volume 31 of Deeds, page 695, under Auditor's File No. 25605;

Situate in the County of Skagit, State of Washington.

PARCEL "B":

That portion of the Southeast $\frac{1}{4}$ of the Northeast $\frac{1}{4}$ of Section 16, Township 35 North, Range 6 East, W.M.

EXCEPT those portions conveyed to the Seattle and Northern Railway Company by Deeds recorded May 3, 1890, in Volume 10 of Deeds, page 565, and recorded January 5, 1900, in Volume 40 of Deeds, page 219;

ALSO EXCEPT that one (1) acre parcel transferred to Fred Hunger and Linda Hunger, husband and wife, by Deed dated May 4, 1989, and recorded under Auditor's File No. 8905150017;

AND ALSO EXCEPT that portion of the Southeast $\frac{1}{4}$ of the Northeast $\frac{1}{4}$ of Section 16, Township 35 North, Range 6 East, W.M., described as follows:

Beginning at the Southeast corner of said Southeast $\frac{1}{4}$ of the Northeast $\frac{1}{4}$ of Section 16;
thence North 17°09'39" East along the East line of said Section, a distance of 118.00 feet to the Northeast corner of that one (1) acre parcel transferred to Fred Hunger and Linda Hunger, husband and wife, by deed dated May 4, 1989, and recorded under Auditor's File No. 8905150017, and which point is the TRUE POINT OF BEGINNING of this property description;



Schedule "A-1"

147823-OE

DESCRIPTION CONTINUED:

PARCEL "B" continued:

thence continuing North 1°09'39" East along the East line of said Section, a distance of 1141.71 feet, more or less, to a point at the intersection of the Southerly line of that railroad right-of-way as conveyed to the Seattle and Northern Railway Company by Deeds recorded May 3, 1890, in Volume 10 of Deeds, page 565, and recorded January 5, 1900, in Volume 40 of Deeds, page 219;
thence North 89°11'17" West, along the Southerly line of said Seattle and Northern Railway Company right-of-way, a distance of 600.64 feet, more or less, to a point 600 feet West, when measured at right angles to, the East line of said Southeast ¼ of the Northeast ¼ of Section 16;
thence South 9°09'36" East, a distance of 1183.49 feet, more or less, to the Northwest corner of said one(1) acre parcel transferred to Fred Hunger and Linda Hunger by Auditor's File No. 8905150017;
thence South 88°04'42" East, parallel to the South line of said Southeast ¼ of the Northeast ¼ of Section 16, along the North line of said Hunger parcel, a distance of 388.00 feet to the True Point of Beginning, and containing 13.04 acres, more or less.

EXCEPT from the above described property, that portion conveyed to Skagit county for road purposes by Deed recorded January 8 1897, in Volume 31 of Deeds, page 695, under Auditor's File No. 25605.

Situate in the County of Skagit, State of Washington.



201310290067

Skagit County Auditor
10/29/2013 Page

10 of

12 3:21PM

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Exhibit A

That portion of the Southeast $\frac{1}{4}$ of the Northeast $\frac{1}{4}$ of Section 16, Township 35 North, Range 6 East, W.M., described as follows:

Beginning at the Southeast corner of said Southeast $\frac{1}{4}$ of the Northeast $\frac{1}{4}$ of Section 16;
thence North $1^{\circ}09'39''$ East, along the East line of said Section, a distance of 118.00 feet to the Northeast corner of that one (1) acre parcel transferred to Fred Hunger and Linda Hunger, husband and wife, by deed dated May 4, 1989, and recorded Auditor's File No. 8905150017, and which point is the TRUE POINT OF BEGINNING of this property description;
thence continuing North $1^{\circ}09'39''$ East along the East line of said Section, a distance of 1141.71 feet, more or less, to a point at the intersection of the Southerly line of that railroad right-of-way as conveyed to the Seattle and Northern Railway Company by Deeds recorded May 3, 1890, in Volume 10 of Deeds, page 565, and recorded January 5, 1900, in Volume 40 of Deeds, page 219;
thence North $89^{\circ}11'17''$ West, along the Southerly line of said Seattle and Northern Railway Company right-of-way, a distance of 600.64 feet, more or less, to a point 600 feet West, when measured at right angles to, the East line of said Southeast $\frac{1}{4}$ of the Northeast $\frac{1}{4}$ of Section 16;
thence South $9^{\circ}09'36''$ East, a distance of 1183.49 feet, more or less, to the Northwest corner of said one (1) acre parcel transferred to Fred Hunger and Linda Hunger by Auditor's File No. 8905150017;
thence South $88^{\circ}04'42''$ East, parallel to the South line of said Southeast $\frac{1}{4}$ of the Northeast $\frac{1}{4}$ of Section 16, along the North line of said Hunger parcel, a distance of 388.00 feet to the True Point of Beginning, and containing 13.04 acres, more or less.

EXCEPT from the above described property, that portion conveyed to Skagit County for road purposes by Deed recorded January 8, 1897, in Volume 31 of Deeds, page 695, under Auditor's File No. 25605.

Situate in the County of Skagit, State of Washington.



201310290067

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: _____

