

When recorded return to:
Gregory M. Russell, Trustee of the
Gregory M. Russell Pension Plan
245 Carriage Lane
Roseburg, Oregon 97471

DEED OF TRUST

(For use in the State of Washington only)

60030034-351

THIS DEED OF TRUST, made this 20th day of **January 2026**
between **Lesa Kolakowski**, as GRANTOR,
whose address is **901 Metcalf St. #6, Sedro-Woolley, WA 98284**
hereinafter referred to as "Grantor"

and **AmeriTitle LLC**, as TRUSTEE,
whose address is **PO Box 1609, Roseburg, Oregon 97470**
hereinafter referred to as "Trustee"

and **RSHR Holdings, LLC**, as BENEFICIARY,
whose address is **245 Carriage Lane, Roseburg, Oregon 97471**
hereinafter referred to as "Beneficiary" and/or "Lender"

Conveyance and Grant. For valuable consideration, Grantor conveys to Trustee in trust with power of sale, right of entry and possession and for the benefit of Lender as Beneficiary, all of Grantor's right, title, and interest in and to the following described real property, together with all existing or subsequently erected or affixed buildings, improvements and fixtures; all easements, rights of way, and appurtenances; all water, water rights and ditch rights; and all other rights, royalties, and profits related to the real property, including without limitation all minerals, oil, gas, geothermal and similar matters located in **Skagit County, State of Washington**:

The Land referred to herein below is situated in the County of Skagit, State of Washington, and is described as follows:

Lots 4 and 5 and the West 1/2 of Lot 6, Block 6, "Plat of Town of Sedro", as per plat recorded in Volume 1 of Plats, page 17, records of Skagit County, Washington.

Situate in the County of Skagit, State of Washington.

(the "Real Property").

The Real Property or its address is commonly known as **817 Nelson St., Sedro-Woolley, WA 98284.**

Abbreviated Legal: (Required if full legal not inserted above.)
Lot 4 & 5 and W 1/2 Lot 6, Block 6, Town of Sedro
Tax Parcel Number(s): **4149-006-006-0005/P75311**

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.

This deed is for the purpose of securing performance of each agreement of Grantor(s) herein contained, and payment of the sum of **one hundred fifty thousand and no/100 dollars (\$150,000.00)** with interest, in accordance with the terms of a promissory note of even date herewith, payable to Beneficiary/Lender or order, and made by Grantor(s), and all renewals, modifications, and extensions thereof, and also such further sums as may be advanced or loaned by Beneficiary to Grantor(s), or any of his/her/their successors or assigns, together with interest thereon at such rate as shall be agreed upon.

Due Date: The entire balance of the promissory note secured by this Deed of Trust, together with any and all interest accrued thereon, shall be due and payable in full on **January 21st, 2033**.

Cross Collateralization. In addition to the above-referenced promissory note, this Deed of Trust secures all obligations, debts and liabilities, plus interest thereon, of Grantor to Beneficiary, or any one or more of them (if more than one Grantor), as well as all claims by Lender/Beneficiary against Grantor or any one of them (if more than one Grantor), whether now existing or hereafter arising, whether related or unrelated to the purpose of the promissory note, whether recovery upon such amounts may be or hereafter may become barred by any statute of limitations, and whether the obligation to repay such amounts may be or hereafter may become otherwise unenforceable.

Assignment of Rents. Grantor hereby assigns as security to Lender, all of Grantor's right, title and interest in and to all leases, rents, profits of the property identified above. This assignment is recorded in accordance with RCW 65.08.070; the lien created by this assignment is intended to be specific, perfected and choate upon the recording of this Deed of Trust. Lender grants to Grantor a license to collect the rents and profits, which license may be revoked at Lender's options and shall be automatically revoked upon acceleration of all or part of the indebtedness.

THIS DEED OF TRUST, INCLUDING THE ASSIGNMENT OF RENTS AND THE SECURITY INTEREST IN THE RENTS AND PERSONAL PROPERTY IS GIVEN TO SECURE: (A) PAYMENT OF THE INDEBTEDNESS AND (B) PERFORMANCE OF ANY AND ALL OBLIGATIONS UNDER THE PROMISSORY NOTE, THE RELATED DOCUMENTS, AND THIS DEED OF TRUST. THIS DEED OF TRUST IS GIVEN AND ACCEPTED ON THE FOLLOWING TERMS:

Payment and Performance. Except as otherwise provided in this Deed of Trust, Grantor shall pay to Lender all amounts secured by this Deed of Trust as they become due, and shall strictly and in a timely manner perform all of Grantor's obligations under the promissory note, Deed of Trust and related documents.

To protect the security of this Deed of Trust, Grantor(s) covenant(s) and agree(s):

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(s). 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(s) 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 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(s) 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:

The Grantor hereby warrants, promises and represents to the beneficiary that this loan or extension of credit provided for herein is made specifically for business purposes and that no portion thereof is to be used for any consumer, personal, family or household purpose. Said extension of credit will be used to refinance the existing first mortgage at Shellpoint (\$89,648 e); payoff city liens (\$6,000 e); new roof on both houses; with remaining funds to be invested in the property to include electrical work, junk removal, landscaping, carpet and interior damage repair, and offsite storage and contracting a property management firm. This loan is secured by a rental property located at 817 Nelson St., Sedro-Woolley, WA 98284 that consists of two dwellings. The main house, after repairs and upgrades, will be rented out for \$2,500 per month. The smaller house is currently rented for \$1,500 per month. Grantor agrees, that as a condition of this loan, that she does not currently occupy nor will she occupy the subject property at any time so long as this Deed of Trust (or any subsequent Deed of Trust, in favor of Lender, with regard to the subject property) is outstanding or in effect.

Grantor(s): 

Grantor agrees that \$21,000.00 of the loan proceeds will not be disbursed to Grantor but shall be held by Lender and shall be released upon installation of new roofs and repair or replacement of gutters on the houses located at 817 Nelson St., Sedro-Woolley, WA 98284. The work is to be performed by a licensed roofing contractor. Upon completion, borrower shall provide the lender with final billing and pictures of both new roofs and gutters. Lender shall have the right to inspect the new roofs prior to disbursement of the \$21,000.

The above work is to be completed within 120 days from the date herein. If not completed within this time period the grantor will be in default under this deed of trust and lender may at her option begin foreclosure and the \$21,000.00 being held shall be applied by lender first to unpaid interest and penalties, if any, and then to principal. It is understood that this lump sum payment shall in no way excuse borrower from making all regularly scheduled payments.

Borrower: 

EVENTS OF DEFAULT. Each of the following, at Lender's option, shall constitute an event of default ("Default") under this Deed of Trust:

Payment Default. Grantor fails to make any payment when due under the promissory note or related documents or this Deed of Trust.

Other Defaults. Grantor fails to comply with or to perform any other term, obligation, covenant or condition contained in this Deed of Trust or any other security related to this Deed of Trust.

Death or insolvency. The insolvency of Grantor, the appointment of a receiver for any part of the Grantor's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceedings under any bankruptcy or insolvency laws by or against Grantor.

Adverse Change. A material adverse change occurs in the Grantor's financial condition or Lender believes the prospect of payment or performance of this Promissory Note or in any of the related documents is impaired.

False Statement. Any warranty, representation or statement made or furnished to Lender by Grantor or on Grantor's behalf under this Deed of Trust or related documents is false or misleading in any material respect.

RIGHTS AND REMEDIES ON DEFAULT. If Default occurs under this Deed of Trust, at any time, Trustee or Lender may exercise any one or more of the following rights and remedies:

Election of Remedies. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Grantor under this Deed of Trust, after Grantor's failure to perform, shall not affect Lender's right to declare a default and exercise its remedies.

Accelerate Indebtedness. Lender shall have the right at its option to declare the entire indebtedness immediately due and payable, including any prepayment penalty which Grantor would be required to pay.

Foreclosure. With respect to the Real Property, the Trustee shall have the right to exercise its power of sale and to foreclose by notice and sale, and Lender shall have the right to foreclose by judicial foreclosure, in either case in accordance with and to the full extent provided by applicable law. 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.

Collect Rents. Lender shall have the right, without notice to Grantor, to take possession of and manage the Real Property and collect the rents, including amounts past due and unpaid, and apply the net proceeds, over and above Lender's costs, against the indebtedness. In furtherance of this right, Lender may require any tenant or other user of the Property to make payments of rent or use fees directly to Lender. If the rents are collected by Lender, then Grantor irrevocably designates Lender as Grantor's attorney-in-fact to endorse instruments received in payment thereof in the name of the Grantor and to negotiate the same and collect proceeds. Lender may exercise its rights to collect rents in person, by agent, or through a receiver.

Appoint Receiver. Lender shall have the right to have a receiver appointed to take possession of all or any part of the Real Property, with the power to protect and preserve the Real Property, to operate the Real Property preceding or pending foreclosure or sale, and to collect

rents from the Real Property and apply proceeds, over and against the cost of the receivership, against the indebtedness. The receiver may serve without bond if permitted by law.

Other Remedies. Trustee or Lender shall have any other right or remedy provided by this Deed of Trust or the promissory note and related documents or available at law or in equity.

Attorneys' Fees and Expenses. If Lender institutes suit or action to enforce any of the terms of this Deed of Trust, Lender shall be entitled to recover such sums as the court may adjudge reasonable as attorneys' fees at trial and upon any appeal. Whether or not any court action is involved, and to the extent not prohibited by law, all reasonable expenses Lender incurs that in Lender's opinion are necessary at any time for the protection of its interest or enforcement of its rights shall become due and payable on demand and shall bear interest at the promissory note rate from the date of the expenditure until repaid. Expenses include, but are not limited to, Lender's attorneys' fees and legal costs, whether or not there is a lawsuit, including bankruptcy proceedings, appeals, collection services, the costs of obtaining reports, appraisals, surveys, title insurance, Trustee fees, to the extent permitted by applicable law. Grantor will also pay any court costs, in addition to all other sums.

Rights of Trustee. Trustee shall have all of the rights and duties of Lender as set forth in this section.

The following terms and conditions shall also be applicable:

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(s) 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. 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(s), Trustee, or Beneficiary shall be a party unless such action or proceeding is brought by the Trustee.

5. 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.

GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS DEED OF TRUST, AND GRANTOR AGREES TO ITS TERMS.

GRANTOR:

X

Lesa Kolakowski

STATE OF Washington
COUNTY OF Skagit ss.

Lesa Kolakowski:

On this day before me, the undersigned Notary Public, personally appeared ~~[name of grantor]~~, personally known to me on the basis of satisfactory evidence to be the individual described in and who executed the Deed of Trust, and acknowledged that he or she signed the Deed of Trust as his or her free and voluntary act and deed, for the uses and purposes, therein mentioned.

SUBSCRIBED AND SWORN TO before me this 20th day of January, 2026.

NAOMI R STANFILL Notary Public State of Washington License Number 201173 My Commission Expires March 17, 2026	<u>Naomi R. Stanfill</u> Notary Public in and for the State of Washington Printed Name: <u>Naomi R. Stanfill</u> Residing at: <u>Sedro Woolley, WA</u> My appointment expires <u>03-17-26</u>
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