

When recorded return to:

Law Offices of Timothy J. Warzecha, PLLC
719 Second Avenue, Suite 104
Seattle, WA 98104



201212050066
Skagit County Auditor

12/5/2012 Page 1 of 7 3:08PM

LAND TITLE OF SKAGIT COUNTY

144672-0

DEED OF TRUST

(For use in the State of Washington only)

P 18117
P 124313

THIS DEED OF TRUST, made this 30th day of November, 2012 between Greg Gilbertson and Traci Gilbertson, a married couple, Gilbertson Land Company, LLC, a Washington Limited Liability Company, Big Lake Sand & Gravel, LLC, a Washington Limited Liability Company as GRANTORS, whose address is 100 Elk Springs Road, Belgrade, Montana 59714.

and

Law Offices of Timothy J. Warzecha, PLLC as TRUSTEE, whose address is 719 Second Avenue, Suite 104, Seattle, Washington 98104

and

Jerry J. Gilbertson and Norma L. Gilbertson, a married couple, as BENEFICIARIES, whose address is at P.O. Box 395, Stanwood, Washington 98292

WITNESSETH: Grantors hereby bargain, sell, and convey to Trustee in trust, with power of sale, the following described real property in Skagit County, Washington:

PARCEL "A":

That portion of the Southeast $\frac{1}{4}$ of the Northwest $\frac{1}{4}$; the North $\frac{1}{2}$ of the Southwest $\frac{1}{4}$ and the Southwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$, Section 17, Township 33 North, Range 5 East, W.M., lying Easterly of the Northern Pacific Railway Co. right-of-way as relocated as per decree entered June 30, 1913, in Skagit County Superior Court Cause No. 6944,

EXCEPT any portion thereof lying within a tract of land as conveyed to School District No. 67, by deed recorded July 20, 1914, in Volume 97 of Deeds, page 272, records of said County,

EXCEPT County road and railroads,

EXCEPT that portion described as follows:

Beginning at the West $\frac{1}{4}$ corner of said Section 17;

thence along the East-West center of Section line, South $88^{\circ}21'21''$ East, 1,348.91 feet to the center-West $\frac{1}{16}^{\text{th}}$ corner;

thence along the West $\frac{1}{16}^{\text{th}}$ line South $01^{\circ}59'07''$ West 866.45 feet to the Southeasterly margin of the abandoned Northern Pacific Railroad Company right of way, as relocated per Decree entered June 30, 1913 in Skagit County Superior Court Cause No. 6944, being the point of beginning, said point being on a curve from which the radius point bears North $37^{\circ}24'14''$ West 4,575.00 feet;

thence Northeasterly along said margin and curve through a central angle of $01^{\circ}28'35''$ a distance of 117.89 feet;

thence on a radial bearing South $38^{\circ}52'49''$ East 75.00 feet;

thence parallel to and 75.00 feet Southeasterly from said margin along a curve from which the radius bears North $38^{\circ}52'49''$ West 4,650.00 feet;

thence Southwesterly along said curve through a central angle of $02^{\circ}48'23''$ a distance of 227.76 feet;

thence on a radial bearing North $36^{\circ}04'26''$ West 75.00 feet to said margin being a point on a curve from which the radius point bears North $36^{\circ}04'26''$ West 4,575.00 feet;

thence Northeasterly along said curve through a central angle of $01^{\circ}19'48''$ a distance of 106.20 feet to the point of beginning.

Situate in the County of Skagit, State of Washington.

PARCEL "B":

That portion of the Southeast $\frac{1}{4}$ of the Southeast $\frac{1}{4}$, Section 18, Township 33 North, Range 5 East, W.M., lying Easterly of the Northern Pacific Railway Co., right of way as relocated as per decree entered June 13, 1913, in Skagit County Superior Court Cause No. 6944,

EXCEPT that portion conveyed to the State of Washington by instrument recorded September 6, 1938 in Volume 175 of Deeds, page 303.

Situate in the County of Skagit, State of Washington.



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DESCRIPTION CONTINUED:

PARCEL "C":

A non-exclusive easement for ingress, egress, slope and utilities over, under and across that portion of the Northern Pacific Railway Company's abandoned right of way, as relocated per Decree entered June 13, 1913, in Skagit County Superior Court Cause No. 6944, within the Southeast ¼ of Section 18, Township 33 North, Range 5 East, W.M., Skagit County, and described as follows:

Beginning at a concrete monument marking the Southeast corner of said Section 18;
thence along the South line thereof; North 88°47'35" West 173.97 feet to the Easterly margin of said Northern Pacific Railway Company right of way;
thence along said Easterly margin North 11°45'21" East 50.21 feet to the point of beginning;
thence continuing along said Easterly margin North 11°45'21" East 124.35 feet to a point of curvature concave to the Southeast from which the radius point bears South 78°14'39" East 1,780.00 feet;
thence Northeasterly along said curve 26.78 feet through a central angle of 00°51'43";
thence South 85°51'53" West 27.70 feet;
thence North 22°38'48" West 32.23 feet;
thence North 14°27'50" East 102.30 feet;
thence North 16°14'26" East 93.97 feet;
thence North 28°47'09" West 17.22 feet;
thence South 86°57'28" West 26.70 feet to the Easterly right of way margin of State Route 9, as originally deeded to Skagit County by Deed recorded December 17, 1915, under Auditor's File No. 111152, from which the centerline of said right of way measures 30.00 feet;
thence along said Easterly margin South 22°59'25" West 86.41 feet;
thence continuing along said Easterly margin South 06°56'25" West 265.20 feet;
thence North 78°55'47" East 69.48 feet to the point of beginning.

Situate in the County of Skagit, State of Washington.

Abbreviated Legal: (Required if full legal not inserted above.)

Tax Parcel Number(s): 330517-2-010-0001/P18117
330517-2-010-0100/P124373

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 of Trust is for the purpose of securing performance of each agreement of Grantors contained in this Deed of Trust, and payment of the sum of Four Hundred Fifty Thousand Dollars (\$450,000.00) with interest, in accordance with the terms of a promissory note of even date herewith, payable to Beneficiaries or order, and made by Grantors, and all renewals, modifications, and extensions thereof, and also such further sums as may be



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advanced or loaned by Beneficiaries to Grantors, or any of Grantors' 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 1st day of December, 2017.

To protect the security of this Deed of Trust, Grantors 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 Beneficiaries, and be in such companies as the Beneficiaries may approve and have loss payable first to the Beneficiaries, 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 Beneficiaries shall determine. Such application by the Beneficiaries 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.
4. To defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiaries 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 Beneficiaries 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 Grantors fail to pay when due any taxes, assessments, insurance premiums, liens, encumbrances, or other charges against the property hereinabove described, Beneficiaries 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.
7. **DUE ON SALE:** The property described in this security instrument may not be sold or transferred without the Beneficiaries' consent. Upon breach of this provision, or any provision of the promissory note, including but not limited to paragraph 8, Beneficiaries may declare all sums due under the note and Deed of Trust immediately due and payable, unless prohibited by applicable law.


Greg and Traci Gilbertson initials

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 by this Deed of Trust shall be paid to Beneficiaries to be applied to said obligation.



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2. By accepting payment of any sum secured by this Deed of Trust after its due date, Beneficiaries 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 Grantors and the Beneficiaries, or upon satisfaction of the obligation secured and written request for reconveyance made by the Beneficiaries or the person entitled thereto.
4. Upon default by Grantors in the payment of any indebtedness secured by this Deed of Trust or in the performance of any agreement contained in this Deed of Trust, all sums secured hereby shall immediately become due and payable at the option of the Beneficiaries subject to any cure period provided in the note secured by this Deed of Trust. In such event and upon written request of Beneficiaries, 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; and (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 all right, title and interest in the real and personal property which Grantors had or had the power to convey at the time of the execution of this Deed of Trust, and such as Grantors 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; Beneficiaries may cause this Deed of Trust to be foreclosed as a mortgage.
7. In the event of the absence, death, incapacity, disability, or resignation of Trustee, or at the discretion of the Beneficiaries, Beneficiaries 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 Grantors, Trustee, or Beneficiaries 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 his/her/their heirs, devisees, legatees, administrators, executors, and assigns. The term Beneficiaries shall mean the holder and owner of the note secured hereby, whether or not named as Beneficiaries herein.
9. ADDITIONAL TERMS AND CONDITIONS: (check one)
 - a. ☒ None
 - b. ☐ As set forth on the attached Exhibit _____ which is incorporated by this reference.

(Note: If neither "a" nor "b" is checked, then option "a" applies.)



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Greg Gilbertson, personally; and
Gilbertson Land Company, LLC, its member; and
Big Lake Sand & Gravel, LLC, its member
11-30-12

STATE OF MONTANA

ss.

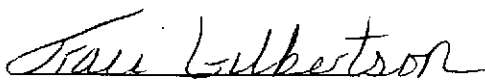
COUNTY OF GALLATIN

I certify that I know or have satisfactory evidence that Greg Gilbertson^{*} is the person who appeared before me, and said person acknowledged that he signed this instrument and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in this instrument. ^{*}individually and as member of Gilbertson Land Company, LLC and also as member of Big Lake Sand & Gravel, LLC

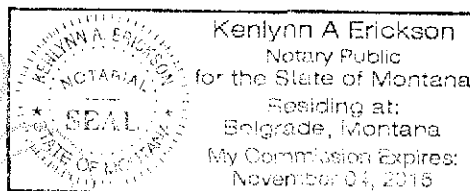
Dated: 11.30.12



Notary name printed or typed:
Notary Public in and for the State of Montana
Residing at
My appointment expires:



Traci Gilbertson, personally; and
Gilbertson Land Company, LLC, its managing member; and
Big Lake Sand & Gravel, LLC, its managing member
11-30-12



STATE OF MONTANA

ss.

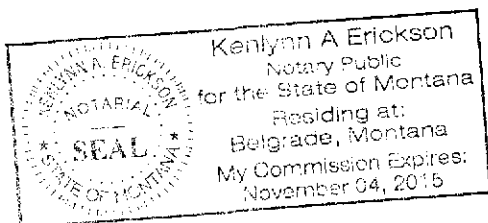
COUNTY OF GALLATIN

I certify that I know or have satisfactory evidence that Traci Gilbertson^{*} is the person who appeared before me, and said person acknowledged that she signed this instrument and acknowledged it to be her free and voluntary act for the uses and purposes mentioned in this instrument. ^{*}individually and as member of Gilbertson Land Company, LLC and also as member of Big Lake Sand & Gravel, LLC

Dated: 11.30.2012



Notary name printed or typed:
Notary Public in and for the State of Montana
Residing at
My appointment expires:



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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: _____



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