AFN #2017001519 Recorded Jul 24, 2017 04:35 PM DocType: MULTI Filed by: COLUMBIA GORGE TITLE Page: 1 of 17 File Fee: \$163.00 Auditor Robert J. Waymire Skamania County, WA

## AFTER RECORDING RETURN TO:

Weyerhaeuser NR Company Attn: Law Department 220 Occidental Avenue South Seattle, WA 98104

Document: LAND AND TIMBER DEED OF TRUST,

ASSIGNMENT OF RENTS AND SECURITY

AGREEMENT

Reference numbers of related documents: N/A

Grantor: NORTHWEST LOGGING COMPANY, LLC, a

Washington limited liability company

Trustee: COLUMBIA GORGE TITLE, LLC

Beneficiary: WEYERHAEUSER NR COMPANY, a Washington

corporation

Abbreviated Legal Description: Ptn Sec. 20 & 21, T2N, R6E W.M.

Additional Legal Description is on Exhibit A of the Deed.

Assessor's Property Tax Parcel Account Numbers: Portion 02-06-21-0-0-0100-00; 02-06-00-0-0-2602-00; Portion 02-06-21-0-0-0100-00

## **DEED OF TRUST**

#### ASSIGNMENT OF RENTS AND SECURITY AGREEMENT

THIS DEED OF TRUST (the "Deed"), made this 20 day of July, 2017, between NORTHWEST LOGGING COMPANY, LLC, a Washington limited liability company, with an address of 2522 North Proctor #15, Tacoma, Washington 98406, Attn. Damon Gustafson, as Grantor; COLUMBIA GORGE TITLE, LLC, with an address of 41 S.W. Russell Avenue, Stevenson, Washington 98648, Attn. Julie Andersen, as Trustee; and WEYERHAEUSER NR COMPANY, a Washington corporation, with an address of: 220 Occidental Avenue South, Seattle, Washington 98104, as Beneficiary.

Grantor irrevocably grants and conveys to Trustee in trust, with power of sale, that certain property, in Skamania County, Washington; more particularly described on Exhibit A attached hereto and by this reference incorporated herein, together with all appurtenances and easements, all of which is collectively referred to as the "Property."

The "Property" shall also include all rents, issues and profits of the Property, all existing and future leases of the Property (including extensions, renewals and subleases), all agreements for use and occupancy of the Property (all such leases and agreements are hereafter referred to as the "Leases"), together with the immediate and continuing right to collect and receive all of the rents, income, receipts, revenues, issues, profits and other income of any nature now or hereafter due under the Leases or from or arising out of the Property, all proceeds payable under any policy of insurance covering loss of rents resulting from untenantability caused by destruction or damage to the Property, all proceeds payable as a result of a lessee's exercise of an option to purchase the Property and all proceeds from any rights and claims of any kind which Grantor may have against any lessee under the Leases or any occupants of the Property (all of the above are hereafter collectively referred to as the "Rents").

The Property is not principally used for agricultural or farming purposes. The Property will be used for business or commercial purposes and not for Grantor's personal, family or household purposes.

Grantor is indebted to Beneficiary in the principal sum of ONE MILLION EIGHT HUNDRED THOUSAND AND NO/100 DOLLARS (\$1,800,000.00) which is repayable with interest according to the terms of a Promissory Note (the "Note") executed on even date herewith, under which the final payment of principal and interest is due on or before maturity, December 15, 2017 or such earlier date as defined in the Note.

The term "Indebtedness" as used in this Deed shall mean any and all debt and obligations, now existing or hereafter arising, from Grantor to Beneficiary, including but not limited to those under the Log Purchase and Delivery Agreement of even date and the principal and interest payable under the Note, together with costs and attorneys fees incurred by Beneficiary upon default by Grantor and in the trial and appellate courts.

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This Deed is given to secure performance and payment of the Indebtedness and performance of all obligations of Grantor under this Deed, and is given and accepted on the following terms:

#### ARTICLE 1

## POSSESSION AND MAINTENANCE OF THE PROPERTY

- 1.1 Unless in default, Grantor shall remain in possession and control of the Property and Grantor shall maintain the Property in good condition at all times, so that the value of the Property shall be maintained, and shall not commit or permit any waste on the Property. Grantor shall comply with all laws, ordinances, regulations and private restrictions affecting the Property.
- 1.2 To the extent that the Property constitutes commercial property, Grantor shall operate the Property in such manner as to prevent deterioration of the land and improvements, including fences, except for reasonable wear and tear from proper use.
- 1.3 Beneficiary may make or cause to be made reasonable entries upon the Property for the purpose of inspecting it.

## **ARTICLE 2**

## TAXES AND LIENS

- 2.1 Grantor shall pay, before they become delinquent, all taxes and assessments levied against or on account of the Property, and shall pay, as they become due, all claims for work done, services rendered, or material furnished to the Property, and shall, on written request of the Beneficiary, evidence such payment by promptly furnishing Beneficiary with receipts therefor. Grantor shall maintain the Property free of any liens having priority over or equal to the interest of Beneficiary under this Deed, except for the lien of taxes and assessments not delinquent.
- 2.2 Grantor shall not encumber the Property by mortgage or deed of trust, or lien junior to this Deed of Trust.
- 2.3 Grantor may withhold payment of any tax, assessment, or claim in connection with a good faith contest over the obligation to pay, as long as Beneficiary's interest in the Property is not jeopardized thereby. If, as a result of such a contest, a lien arises or is filed, or if a lien arises or is filed because of nonpayment for any reason, Grantor, within 15 days after the lien arises or, if filed, within 15 days after Grantor has notice of the filing, shall secure the discharge of the lien, or deposit with Beneficiary cash or a corporate surety bond in an amount sufficient to discharge the lien plus any costs, attorneys' fees or other charges that could accrue as a result of a foreclosure or sale under the lien, or deposit with Beneficiary such other security as Beneficiary, in its sole discretion, deems satisfactory.

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2.4 The assessor or tax collector of the county in which the Property is located is authorized to deliver to Beneficiary a written statement of the property taxes assessed or owing at any time and any other charges or assessments collected by or through the office of the tax collector.

#### ARTICLE 3

#### TIMBERLAND COVENANTS

- 3.1 <u>Definition</u>. The term "Timberlands" as used in this Deed, refers to that part of the Property maintained and operated primarily for the production of timber.
- 3.2 <u>Management, General</u>. The Timberlands shall be maintained in good condition and shall be operated for their highest and best use as timberlands, having due regard to soil conditions, stand arrangements, and other factors relevant to the conduct of sound silvicultural and harvesting practices. Any harvesting of timber shall be carried out in a manner calculated to produce the greatest quantity of timber.
- 3.3 Access. There exists with regard to the Timberlands legal access thereto sufficient to remove the timber from the Timberlands on a commercially feasible basis, based on current and reasonably anticipated market conditions and harvest costs.
- 3.4 <u>Harvesting Limits</u>. Any and all cutting operations shall be conducted in such a manner as to realize the greatest return from the individual tree and from the timber stand. Trees shall be cut as close to the ground as practicable. All trees which are not at the time being harvested, including young trees, shall be protected against unnecessary injury from felling, skidding, and hauling. All measures reasonably practicable shall be used to prevent soil erosion, including the proper location of skidways and roads.
- 3.5 <u>Fire Protection</u>. All measures shall be taken which are reasonably necessary to protect the Timberlands from loss by fire, which measures shall be at least equal to fire-control practices generally followed on timber producing property in the same general area, including the adoption of suitable prevention and control measures, the maintenance of adequate fire-fighting equipment in accordance with applicable state regulations, proper disposal of slash, and full cooperation with state and federal agencies on matters of fire prevention and control. Upon written request by Beneficiary, Grantor shall maintain membership in forest protective associations where any of the Timberlands fall within a forest protective district under the jurisdiction of any such association, and shall pay as due any forest patrol assessments of any State Forester (or other agency having jurisdiction), or of such forest protective association.
- 3.6 <u>Maintenance of Roads</u>. An adequate system of roads and roadways shall be maintained in such manner as to permit access of mobile fire-fighting equipment to all parts of the Timberlands.
- 3.7 <u>Trespass</u>. The Property shall be marked to indicate the boundaries thereof in a conspicuous manner at road entry points, and such markings shall be renewed from time 3 DEED OF TRUST

to time as may be necessary to clearly maintain public notice of boundaries. Grantor shall cause the Timberlands to be inspected from time to time for the purpose of preventing trespass of any type or nature, including unauthorized cutting of timber.

- 3.8 <u>Compliance</u>. Grantor shall comply in all respects with the Washington Forest Practices Act, all rules and regulations issued under it, and all rules and regulations issued by any other agency having jurisdiction over the Property; and with any other state and federal laws or regulations applicable to Grantor's operations on the Property, including, without limitation, the rules and regulations of the applicable department(s) regulating fish, wildlife and other natural resources.
- 3.9 <u>Litigation</u>. As of the date of this Deed, there neither was nor is there now pending, or threatened, to the best of Grantor's or Guarantor's knowledge, any litigation, administrative proceeding or the like, involving Grantor, which would materially adversely affect Grantor's ability to carry out the obligations and operations of Grantor contemplated by this Deed.
- 3.10 <u>Inspection of Property.</u> Beneficiary or its agents may inspect the Property, without prior notice to Grantor, at any time or times until such time as the obligations are paid in full for the purpose of determining Grantor is complying with the terms of this Deed and of the Promissory Note, Log Purchase & Delivery Agreement and Memorandum Agreement.

#### **ARTICLE 4**

#### HAZARDOUS SUBSTANCES

- 4.1 The provisions of this Article 4 shall survive termination or reconveyance of this Deed of Trust.
- 4.2 For purposes of this Deed of Trust, any substance, material or waste which is or becomes classified or regulated as being "toxic," "hazardous," "dangerous," "explosive" or "radioactive" under any federal, state or local law, regulation or ordinance ("Environmental Laws"), or which, even if not so regulated, may or could pose a hazard to the health and safety of the property or property adjacent to the Property, including without limitation, asbestos, petroleum products and petroleum by-products (including, but not limited to, crude oil, natural gas, natural gas liquids, liquified natural gas, or synthetic gas or any mixture thereof) is defined to be a "Hazardous Substance."
- 4.3 Grantor agrees to indemnify and hold Beneficiary harmless for, from and against all claims, actions, damages, costs, liabilities or losses and expenses (including, without limitation, reasonable attorneys fees and costs) ("Claims") (i) arising out of or resulting from any Hazardous Substance being present at any time on or prior to the date hereof, or being present at any time after the date hereof, or were not present at any time on or prior to the data hereof, in or around any part of the Property or adjacent property, or in

the soil, groundwater or soil vapor on or under the Property or adjacent property, including those incurred in connection with any investigation of site conditions or any clean-up, remedial, removal or restoration work, or any resulting damages or injuries to the person or property of any third parties or to any natural resources, regardless of the source of such Hazardous Substance or presence; or (ii) arising, directly or indirectly, in whole or in part out of any breach of any representation, warranty or covenant made by Grantor under this Article 4. Without limiting the generality of the foregoing, any such Claims shall also include any costs incurred by Beneficiary (a) in determining whether the mortgaged Property is in compliance with all Environmental Laws; (b) in any removal, remediation, clean-up or other mitigating response of any kind which in undertaken as a result of a breach of any representation, warranty or covenant herein, or as a result of any release or threatened release of any Hazardous Substance on the Property; and (c) in repairing any damage to the Property or any other property caused by any such clean-up, removal, remediation or disposal.

- 4.4 Grantor represents and warrants to the best of its knowledge that, except as may be indicated in any Schedule attached hereto, (i) the Property has not previously been used as a landfill; and (ii) no Hazardous Substance has been disposed of, released, spilled, leaked, pumped, emitted, leached, injected, poured or otherwise exists in, on, under or to the Property or into or through the soil, surface or groundwater of the Property or any part thereof. Grantor represents and warrants that it has complied and covenants that it shall comply and cause all occupants of the Property to comply with, all laws, regulations and ordinances governing or applicable to Hazardous Substance, as well as the recommendations of any qualified environmental engineer or other expert which apply or pertain to the Property. Grantor represents and warrants that it has obtained all certificates, permits, licenses and other authorizations necessary for the use and operation of the Property, and covenants that it shall at all times maintain the same in full force and effect.
- 4.5 Grantor shall promptly notify Beneficiary if it knows, or reasonably suspects or reasonably believes there may be any Hazardous substance in or around the Property, or in the soil, groundwater or soil vapor on or under the Property.
- 4.6 Beneficiary and its agents shall have the right at any reasonable time and on reasonable notice to enter and visit the Property for the purposes of observing the Property, taking and removing soil or groundwater samples, and conducting tests on any part of the Property, and for inspecting the Property for violations of Grantor's representation, and warranties of this Article 4 or for enforcing the same. Beneficiary is under no duty, however, to visit or observe the Property or to conduct tests and the same shall not impose any liability on Beneficiary. Beneficiary shall indemnify and hold Grantor harmless from and against any and all damages, demands, claims, losses, liabilities, injuries, penalties, fines, liens, judgments, suits, actions, investigations, proceedings, costs or expenses whatsoever (including, without limitation, reasonable attorneys' and experts' fees and costs, and in the event of any release of Hazardous Substances caused by Beneficiary, investigation and remediation costs) arising out of or relating to any physical harm, physical damage or personal injury or death caused by entry on the Property by Beneficiary

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or its agents, employees or contractors in the course of performing the observations, sampling, testing or inspections of the Property provided under this Paragraph 4.6.

4.7 The provisions of this Article 4 shall survive repayment in full of the Note, the vesting to the Property in Beneficiary or its affiliate, agents, successors or assigns through judicial or non-judicial foreclosure or acceptance of a dead in lieu thereof. Any bid by Beneficiary pursuant to a nonjudicial or judicial foreclosure hereunder shall not be deemed to satisfy Grantor's indemnity obligation in this Article 4.

ARTICLE 5

RESERVES

No reserves are required.

**ARTICLE 6** 

## EXPENDITURES BY BENEFICIARY

If Grantor fails to comply with any provision of this Deed, Beneficiary may at its option take the required action and any amount that it expends in so doing, shall be added to the Indebtedness. Amounts so added shall be payable on demand with interest at the rate provided in the Promissory Note secured hereby from the date of expenditure. The rights provided for in this paragraph shall be in addition to any other rights or any remedies to which Beneficiary may be entitled on account of the default, and Beneficiary shall not by taking the required action cure the default so as to bar it from any remedy that it otherwise would have had.

ARTICLE 7

Intentionally deleted.

ARTICLE 8

## EXTENSION OR RENEWAL OF INDEBTEDNESS

Beneficiary may, in its sole discretion, extend or renew the Note, payment of which indebtedness is secured hereby, on such terms and conditions as Beneficiary may, in its sole discretion, determine. In the event of any such extension or renewal, the indebtedness evidenced by such extended or renewed Promissory Note shall be secured by this Deed.

#### **ARTICLE 9**

WARRANTY: DEFENSE OF TITLE

Grantor warrants that he holds title to the Property in fee simple free of all encumbrances other than those enumerated in the title policy, if any, issued for the benefit of Beneficiary in connection with this transaction by Columbia Gorge Title, LLC under its Order Number S17-

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0202KM and accepted by Beneficiary. The Grantor warrants and will forever defend the title against the lawful claims of all persons. In the event any action or proceeding is commenced that questions Grantor's title or the interest of Beneficiary or Trustee under this Deed, Grantor shall defend the action at its expense.

#### **ARTICLE 10**

#### CONDEMNATION

If all or any part of the Property is condemned, Beneficiary may at its election apply all or any portion of the net proceeds of the award on the Indebtedness, and the proceeds of any award or claim for damages, direct or consequential, are hereby assigned to and shall be paid to Beneficiary for such purpose. The net proceeds of the award shall mean the award after payment of all reasonable costs, expenses and attorneys' fees necessarily paid or incurred by Grantor, Beneficiary and Trustee in connection with the condemnation. If proceedings in condemnation are filed covering all or any part of the Property, Grantor shall promptly notify Beneficiary thereof and take such steps as may be necessary to defend the action and obtain the highest legal award therefor. Unless Grantor and Beneficiary shall otherwise agree in writing, any application of proceeds or damages to principal pursuant to this Article 10 shall not extend the maturity of the Note.

#### ARTICLE 11

#### IMPOSITION OF TAX BY STATE

- 11.1 The following shall constitute state taxes to which this paragraph applies:
- 11.1.1 Specific tax upon Deeds of Trust or upon all or any part of the Indebtedness secured by a Deed of Trust;
- 11.1.2 Specific tax on a Grantor which the taxpayer is authorized or required to deduct from payments on the Indebtedness secured by a Deed of Trust;
- 11.1.3 Tax on a Deed of Trust chargeable against the Beneficiary or the holder of the Note secured; and
- 11.1.4 Specific tax on all or any portion of the Indebtedness or on payments of principal and interest made by a Grantor.
  - 11.2 If any state tax to which this paragraph applies is enacted subsequent to the date of this Deed of Trust, said imposition shall have the same effect as a default, and Beneficiary may exercise any or all of the remedies available to it in the event of a default unless the following conditions are met:
    - 11.2.1 Grantor may lawfully pay the tax or charge imposed by the state tax; and
- 11.2.2 Grantor pays or offers to pay the tax or charge within 30 days after notice from Beneficiary that the tax law has been enacted.

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#### ARTICLE 12

## POWERS AND OBLIGATIONS OF TRUSTEE

- 12.1 In addition to all powers of Trustee arising as a matter of law, Trustee shall have the power to take the following actions with respect to the Property upon the request of Beneficiary:
- 12.1.1 Join in preparation and filing of a map or plat of the Property, including the dedication of streets or other rights in the public;
  - 12.1.2 Join in granting any easement or creating any restriction on the Property;
- 12.1.3 Join in any subordination or other agreement affecting this Deed or the interest of Beneficiary under this Deed;
  - 12.1.4 Sell the Property as provided in Article 17.2 of this Deed; or
- 12.1.5 Reconvey, without warranty, all or any part of the Property, and the grantee in any reconveyance may be described as the "person or persons legally entitled thereto."
  - 12.2 Trustee shall not be obligated to notify any party hereto of pending sale under any other deed of trust or lien, or of any action or proceeding in which Grantor, Beneficiary or Trustee is a party, unless the action or proceeding is brought by Trustee.

#### ARTICLE 13

#### TRANSFER BY GRANTOR

- 13.1 Grantor shall not, without the prior written consent of Beneficiary, transfer all or any portion of Grantor's interest in the Property, whether or not the transferee assumes or agrees to pay the Indebtedness. If Grantor or a prospective transferee applies to Beneficiary for consent to such a transaction, Beneficiary may require such information concerning the Transferee as Beneficiary deems appropriate or necessary. An involuntary transfer of Grantor's interest, or any portion thereof, shall constitute a violation of this provision. Beneficiary shall not unreasonably withhold its consent to transfer.
- 13.2 Transfer by Grantor shall not relieve Grantor of liability for payment of the Indebtedness. Following a transfer, Beneficiary may agree to any extension of time for payment or modification of the terms of this Deed or the Note or waive any right or remedy under this Deed or the Note without relieving Grantor from liability. Grantor waives presentment, notice of dishonor and protest with respect to the Indebtedness.
- 13.3 Grantor shall not, without the prior written consent of Beneficiary, create or permit to exist any lien, encumbrance or security interest in the Property, or any portion or part thereof, whether or not such lien, encumbrance or security interest has priority over the lien of this Deed of Trust.

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#### ARTICLE 14

## SECURITY AGREEMENT; FINANCING STATEMENTS

- 14.1 This instrument shall constitute a security agreement with respect to any personal property included within the description of the Property.
- 14.2 To secure any and all debt and obligations, now existing or hereafter arising from Grantor to Beneficiary, including but not limited to the debt under the Promissory Note and Log Purchase and Delivery Agreement of even date, Grantor hereby grants to Beneficiary a security interest in all trees and timber, whether severed or unsevered and including standing and down timber, and cut timber and logs, and other forest products, whether now located on or hereafter planted or growing on the Property (collectively the "Timber") and all products and proceeds of the Timber and all Grantor's rights to payment (the "Receivables") arising from the sale or exchange thereof, including but not limited to, all of Grantor's accounts, all rights to payment evidenced by an instrument or chattel paper, and all rights to payment evidenced by any contract or other general intangible arising from the Timber; together with all sums of money due upon such Receivables, all guarantees of such Receivables and the security therefor, and all right, title, and interest in the goods, services or other property that gave rise to or that secures such Receivables.
- 14.3 Grantor shall, on request of Beneficiary, join with Beneficiary in executing one or more financing statements under Title 62A, Chapter 9A Revised Code of Washington, and shall file the statements at Grantor's expense in all public offices where filing thereof is required to perfect the security interest of Beneficiary in any personal property under Title 62A, Chapter 9A Revised Code of Washington.
- 14.4 In addition to other remedies set forth in this Deed or applicable law, upon default by Grantor under this Deed or any other agreement entered into between Grantor and Beneficiary, Beneficiary may exercise any and all of the rights and remedies of a secured party under the Washington Uniform Commercial Code.
- 14.5 Grantor represents and warrants to Beneficiary that the lien evidenced by the security agreement referenced herein and the financing statements filed or to be filed encumbering the Timber, the Receivables, and any other personal property of Grantor, shall be first priority lien on all such property.

#### **ARTICLE 15**

#### **RECONVEYANCE**

15.1 If Grantor pays all of the Indebtedness when due and otherwise performs all of the obligations imposed upon Grantor under this instrument and the Promissory Note evidencing the Indebtedness, Beneficiary shall execute and deliver to Trustee a request for full reconveyance. Upon receipt of request for full reconveyance, the Trustee shall reconvey the Property without warranty to the person or persons legally entitled thereto and

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provide notice to Grantor and Beneficiary of the completed reconveyance. Reconveyance fees and costs of recordation required by law shall be paid by Grantor.

#### ARTICLE 16

#### DEFAULT

The following shall constitute events of default:

- 16.1 Failure of Grantor to pay any portion of the Indebtedness when it is due.
- 16.2 Failure of Grantor within the time required by this Deed to make any payment for taxes, or any other payment necessary to prevent the filing of or to secure the discharge of any lien.
- 16.3 Dissolution, reorganization, termination of existence, insolvency, business failure, appointment of a receiver for any part of the property of, assignment for the benefit of creditors by, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against, Grantor.
- 16.4 Failure of Grantor, within 60 days from the filing of any involuntary petition in bankruptcy against Grantor, to dismiss said involuntary petition.
- 16.5 Failure of Grantor to perform any other obligation under this Deed within 20 days after receipt of written notice from Beneficiary specifying the failure.
- 16.6 Default by Grantor under any other agreement entered into between Grantor and Beneficiary.

#### ARTICLE 17

## RIGHTS AND REMEDIES ON DEFAULT

- 17.1 Upon the occurrence of any event of default and at any time thereafter, Beneficiary may exercise any one or more of the following rights and remedies:
- 17.1.1 The right at its option by notice to Grantor to declare the entire Indebtedness immediately due and payable.
- 17.1.2 With respect to all or any part of the Property that constitutes realty, the right to foreclose by notice and sale by Trustee or by judicial foreclosure, in either case, in accordance with applicable law.
- 17.1.3 With respect to all or any part of the Property that constitutes personalty, the rights and remedies of a secured party under Title 62A, Chapter 9A Revised Code of Washington.

- 17.1.4 The right in connection with any legal proceedings to have a receiver appointed to take possession of any or all of the Property, with the power to protect and preserve the Property and to operate the Property preceding foreclosure or sale and apply the proceeds, over and above cost of the receivership, against the Indebtedness. The receiver may serve without bond if permitted by law. Beneficiary's right to the appointment of a receiver shall exist whether or not apparent value of the Property exceeds the Indebtedness by a substantial amount.
- 17.1.5 In the event Grantor remains in possession of the Property after the Property is sold as provided above or Beneficiary otherwise becomes entitled to a possession of the Property upon default of Grantor, Grantor shall become a tenant at will of Beneficiary or the purchaser of the Property and shall pay while in possession a reasonable rental for use of the Property.
- 17.1.6 Any other right or remedy provided at law, in equity or in this Deed or the Promissory Note evidencing the Indebtedness.
  - 17.2 In exercising its rights and remedies Beneficiary shall be free to sell all or any part of the Property together or separately or to sell certain portions of the Property and refrain from selling other portions. Beneficiary shall be entitled to bid at any public sale on all or any portion of the Property.
  - 17.3 Beneficiary shall give Grantor reasonable notice of the time and place of any public sale of any personal property or of the time after which any private sale or other intended disposition of such property is to be made. Reasonable notice shall mean notice given at least ten days before the time of the sale or disposition.
  - 17.4 A waiver by either party of a breach of a provision of this Deed shall not constitute a waiver of or prejudice the party's right otherwise to demand strict compliance with that provision or any other provision. Election by Beneficiary to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or take action to perform shall not affect Beneficiary's right to declare a default and exercise its remedies under this Article 17.
  - 17.5 In the event suit or action is instituted to enforce any of the terms of this Deed, Beneficiary shall be entitled to recover from Grantor such sum as the court may adjudge reasonable as attorneys' fees at trial and on any appeal in state or federal court. All reasonable expenses incurred by Beneficiary that are necessary at any time in Beneficiary's opinion for the protection of its interest or the enforcement of its rights, including without limitation, the

cost of searching records, obtaining title reports, surveyors' reports, attorneys' opinions or title insurance, and fees for Trustee, whether or not any court action is involved, shall become a part of the Indebtedness payable on demand.

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#### ARTICLE 18

# RENTS; APPOINTMENT OF RECEIVER; BENEFICIARY IN POSSESSION; COMPLETION OF IMPROVEMENTS.

As additional security hereunder, Grantor hereby assigns to Beneficiary the rents of the Property, provided that Grantor shall, prior to acceleration under Article 17.1.1 hereof or abandonment of the Property, have the right to collect and retain such rents as they become due and payable. Upon acceleration under Article 17.1.1 hereof or abandonment of the Property, Beneficiary, in person, by agent or by judicially appointed receiver, shall be entitled to enter upon, take possession of and manage the Property, complete any improvements to the Property, and to collect the rents of the Property including those past due. All rents collected by Beneficiary or the receiver shall be applied first to payment of the costs of management of the Property and collection of rents, including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorneys' fees, and then to the sums secured by this Deed of Trust. Beneficiary and the receiver shall be liable to account only for those rents actually received.

## **ARTICLE 19**

#### NOTICE

Any notice under this Deed shall be in writing and shall be effective when actually delivered or, if mailed, when deposited as registered or certified mail directed to the following addresses or by facsimile. Any party may change the address for notices by written notice to the other parties.

Grantor:	Northwest Logging Company, LLC
	Attn: Damon Gustafson
	2522 North Proctor #15
	Tacoma, WA 98406
	Mobile: (253) 702-4366
	nwlogging@gmail.com
Beneficiary:	Weyerhaeuser NR Company
L / L	Attn: Devin Stockfish
	16821 SE McGillivray Blvd Suite 210
	Town Center Two Building
	Vancouver, WA 98683-0402
	Fax: 206-621-5734
	Devin.Stockfish@weyerhaeuser.com

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#### ARTICLE 20

#### DISCLAIMER

ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, EXTEND CREDIT, OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW. RCW 19.36.140.

#### ARTICLE 21

SUCCESSION; TERMS; GENERAL PROVISIONS; RECEIPT OF COPY BY GRANTOR

- 21.1 Subject to the limitations stated in this Deed on transfer of Grantor's interest and subject to the provisions of applicable law with respect to successor trustees, this Deed shall be binding upon and inure to the benefit of the parties, their successors and assigns. All warranties and agreements of Grantor shall be joint and several.
- 21.2 In construing this Deed, the term Deed shall encompass the term security agreement when the instrument is being construed with respect to any personal property, and the singular shall include the plural and masculine shall include feminine, when the context requires.
- 21.3 By execution here, Grantor hereby acknowledges receipt of a conformed copy of the Promissory Note and this Deed of Trust.
- 21.4 The Deed and the validity, interpretation, performance, and enforcement of the Deed shall be governed by the laws of the State of Washington.
- 21.5 Time is of the essence with respect to all covenants and obligations of Grantor under this Deed.
- 21.6 The captions to the sections and paragraphs of this Deed are included only for the convenience of the parties and shall not have the effect of defining, diminishing, or enlarging the rights of the parties or affecting the construction or interpretation of any portion of this Deed.
- 21.7 If any provision of this Deed shall be held to be invalid, illegal, or unenforceable, such invalidity, illegality, or unenforceability shall not affect any other provisions of this Deed, and such other provisions shall be construed as if the invalid, illegal, or unenforceable provision had never been contained in the Deed.
- 21.8 This Deed, together with the Promissory Note, Log Purchase and Delivery Agreement, Memorandum of Agreement, and Personal Guarantees, contain the entire agreement of the parties with respect to the Property. No prior agreement, statement, or promise made by any party to this Deed that is not contained herein shall be binding or valid.

- 21.9 None of the terms and conditions of this Deed may be changed, waived, modified or varied in any manner whatsoever except with the prior written approval of the Grantor, Trustee and Beneficiary.
- 21.10 All obligations hereunder are intended by the Grantor, the Trustee and Beneficiary to be, and shall be construed as, covenants running with the Property. As used herein, the "Grantor" shall refer to the party named in the first paragraph of this Deed and to any subsequent owner of all or any portion of the Property. All persons who may have or acquire an interest in the Property shall be deemed to have notice of, and be bound by, the terms of this Deed; provided, however, that no such party shall be entitled to any rights thereunder without prior written consent of Beneficiary.
  - 21.11 Venue; Attorneys Fees.
- 21.11.1 In the event of suit or action to enforce this Agreement, the venue shall be set in Skamania County, Washington, in the Skamania County Superior Court.
- 21.11.2 In the event any action, suit or proceeding shall be initiated by either party to enforce or interpret this Agreement, the prevailing party shall be entitled to recover from the losing party, both reasonable attorney fees and reasonable expert witness fees as determined by the court, both at trial and on appeal or review. Attorney fees and expert witness fees shall be in addition to other costs and disbursements allowed by law. In addition, Seller agrees to pay the reasonable attorney fees of Weyerhaeuser incurred in any proceeding under the Bankruptcy Code, including the litigation of issues peculiar to federal bankruptcy law.
- 21.12 THE GRANTOR HEREBY IRREVOCABLY WAIVES ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS DEED OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

SIGNATURES APPEAR ON THE FOLLOWING PAGE.]

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IN WITNESS WHEREOF, Grantor hereby executes this Deed of Trust the date first hereinabove written.

#### **GRANTOR:**

Northwest Logging Company, LLC

Its: Member

STATE OF WASHINGTON )

) ss.

County of Skamania

On this Add day of July, 2017, before me, the undersigned, a Notary Public in and for the state of Washington, duly commissioned and sworn, personally appeared Damon Gustafson known to be the Member of Northwest Logging Company, LLC, the limited liability company that executed the foregoing instrument, and acknowledged the instrument to be the free and voluntary act and deed of that company for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the instrument on behalf of that company.

WITNESS my hand and official seal hereto affixed the day and year first above written.

Signature

Printed Name:

NOTARY PUBLIC in and for the

State of Washington residing at

My Commission Expires: Olol 17/20

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## EXHIBIT A

## **Legal Description**

**PARCEL I:** Portion 02-06-21-0-0-0100-00

Commencing at the Quarter corner between Sections 21 and 28, Township 2 North, Range 6 East of the Willamette Meridian, in the County of Skamania, State of Washington following the meanderings of a small creek in a Northwesterly direction as shown by the Survey recorded in Skamania County Engineer's Office to a point 1100 feet East of the Quarter corner between Sections 20 and 21; thence West to the Quarter corner between Sections 20 and 21; thence South to the Southwest corner of Section 21; thence East to Quarter corner of Sections 21 and 28.

**EXCEPTING** therefrom the following described tract of land which was conveyed to Irving Courser:

Beginning at the Southwest comer of the Southwest Quarter of Section 21 in Township 2 North, Range 6 East of the Willamette Meridian, and for a West boundary running North 1220 feet, for a North boundary running East 650 feet, and for an East boundary running South 700 feet, more or less, to the County Road, and for a South boundary following the North side of the County Road to Section line and the Section line to the point of beginning.

**EXCEPT** a tract of land in a conveyance recorded in Book 30 of Deeds, Page 212, of Skamania County, as follows:

Beginning at the point of intersection of the Section line between Sections 21 and 28 with the Southerly boundary line of the County Road which point is located 150 feet, more or less, East of the section comer common to Sections 20, 21, 28 and 29 in Township 2 North, Range 6 East of the Willamette Meridian, in the County of Skamania, State of Washington, thence running East on said Section line between Sections 21 and 28, 850 feet more or less to a point which is 1000 feet East of said Section corner common to said 4 sections; thence North or slightly West of North on a direct line to the nearest point on the Southerly boundary line of said County Road; thence Southwesterly following the Southerly boundary line of said County Road to the point of beginning

**PARCEL II**: 02-06-00-0-0-2602-00

The Northeast Quarter of the Southeast Quarter of Section 20, Township 2 North, Range 6 East of the Willamette Meridian, in the County of Skamania, State of Washington.

**PARCEL III:** Portion 02-06-21-0-0-0100-00

The Northeast Quarter of the Northwest Quarter of Section 21, Township 2 North, Range 6 East of the Willamette Meridian, in the County of Skamania, State of Washington.