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JERRY MCINTURE  
SKAGIT COUNTY CLERK

ORIGINAL

WHEN RECORDED RETURN TO  
James Saunders  
207 Erie Avenue  
Seattle, Washington 98122

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LAND TITLE COMPANY OF SKAGIT COUNTY  
T-72497

DEED OF TRUST 9310070061

THIS DEED OF TRUST, made this 1st day of October, 1993, between Jeffery Peers Witham, a single person, Grantor, whose address is 624 Emerald Lane, Marblemount, Washington 908276 and Land Title Company of Skagit County, Trustee, whose address is 601 Second Street, Mount Vernon, Washington 98273, and James E. and Nancy J. Saunders, Beneficiary, whose address is 207 Erie Avenue, Seattle, Washington 98122.

W I T N E S S E T H:

Grantor hereby bargains, sells and conveys to Trustee in Trust, with power of sale, the following described real property in Skagit County, Washington:

The East 185 feet of the North 660 feet of Government Lot 3, Section 23, Township 35 North, Range 10 East, W.M., EXCEPT State Highway right of way along the North line thereof.  
Situate in the County of Skagit, State of Washington.

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 herein contained, and payment of the sum of TWENTY FIVE THOUSAND AND NO/100 DOLLARS (\$25,000.00) with interest, in accordance with the terms of a promissory Note of even date herewith, payable to Beneficiary or order, and made by Grantor, and all renewals, modifications and extensions thereof, and also such further sums as may be advanced or loaned by Beneficiary to Grantor, or any of their successors or assigns, together with interest thereon at such rate as shall be agreed upon.

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

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

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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. 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.

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 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 fail to pay when due any taxes, assessments, insurance premiums, liens, encumbrances or other charges against the property herein above described, Beneficiary may pay the same, and the amount so paid, with interest at the Default Rate of 12% per annum specified in the Note secured hereby, shall be added to and become a part of the debt secured in this Deed of Trust.

7. (a) For purposes of this Deed of Trust, "hazardous substance" means any hazardous or toxic substances, materials or wastes, including, without limitation, those substances, materials, and wastes listed in the United States Department of Transportation Hazardous Materials Table (49 CFR 172.10) or by the Environmental Protection Agency as hazardous substances (40 CFR Part 302) and amendments thereto, or such substances, materials and wastes which are or become regulated under any applicable local, state or federal law including, without limitation, any material, waste or substance which is (i) petroleum, (ii) asbestos, (iii) polychlorinated biphenyls, (iv) defined as a "hazardous waste", "extremely hazardous waste", "restricted hazardous waste" or "hazardous substance" under RCW 70.105 (Hazardous Waste Management) or RCW 70.105D (Hazardous Waste Cleanup-Model Toxics Control Act, (v) designated as a "hazardous substance pursuant to Section 311 of the Clean Water Act, 33 USC section 1251 et seq. (33 USC section 1321) or listed pursuant to Section 307 of the Clean Water Act (33 USC section 1317d), (vi) defined as a "hazardous waste" pursuant to Section 1004 of the Resource Conservation and Recovery Act, 42, USC section 6903, or (vii) defined as a "hazardous substance" pursuant

to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act, 42 USC section 9601, et seq. (42 USC section 9601), all as amended, replaced or succeeded, and any other substance or matter defined as a toxic or hazardous substance or material or pollutant or contaminant under any other federal, state or local laws, ordinances or regulations or under any reported decision of a state or federal court, or any substance or matter imposing liability for clean-up costs or expenses on any person or entity under any statutory or common law theory.

(b) To Grantor's best knowledge and after due and diligent inquiry, Grantor represents and warrants that neither Grantor nor any previous owner or user of the property has used, generated, stored or disposed of above, in, on, under or around the property any hazardous substance and that there is not now, nor have there ever been tanks or facilities on, under or at the property which contained materials which, if known to be present in soils or ground water, would require cleanup, removal or some other remedial action under any federal, state or local law or regulation. Grantor hereby covenants and agrees that Grantor will not conduct, permit or authorize the generation, transportation, storage, treatment or disposal at the property of any hazardous substance, and neither Grantor or any agent, servant or employee shall generate, store, bury or dispose of any hazardous substance on or in a location that will adversely affect the property. Grantor shall promptly and diligently comply with all requirements of federal, state or local laws, statutes, ordinances or regulations, or court or administrative orders or decrees, or private agreements pertaining to hazardous substances.

(c) If the presence, release, threat of release, placement on or in the property, or the generation, transportation, storage, treatment or disposal at the property of any hazardous substance: (i) gives rise to liability (including without limitation, to a response action, remedial action or removal action) under RCRA, CERCLA, state toxic waste laws or otherwise, or (ii) causes a significant health effect, or (iii) pollutes or threatens to pollute the environment, Grantor shall, at his/her sole expense, promptly take any and all remedial and removal action necessary to clean up the property and mitigate exposure to liability arising from the hazardous substance, whether or not required by law. Any provision of this Deed of Trust to the contrary notwithstanding, if Grantor fails to perform his/her obligations under this subparagraph (c), any funds advanced by the Beneficiary to pay for any and all remedial and removal action to clean up the property and mitigate exposure to liability from the hazardous substance shall be secured by the lien of this Deed of Trust and all monies so paid and all costs and expenses incurred thereby, including reasonable attorney's fees, may be added to the debt which is specified by this Deed of Trust and shall bear interest at the Default Rate of 12% per annum specified in the Note. In the alternative, at the option of the Beneficiary, all monies so paid and all costs and expenses incurred thereby, including reasonable attorney's fees, may be declared immediately due and payable and shall bear interest at the Default Rate of 12% per annum specified in the Note until paid. Grantor's failure to reimburse Beneficiary

upon demand therefore, shall constitute a further event of default under this Deed of Trust.

(d) Grantor shall promptly give Beneficiary: (i) written notice and a copy of any notice or correspondence he/she receives for any federal, state or other government authority regarding hazardous substances on the property or hazardous substance which will affect or will affect the property, (ii) written notice of any knowledge or information Grantor obtains regarding hazardous substances on the property or hazardous substances which will affect the property or expenses or losses incurred or expected to be incurred by Grantor or any government agency to study, assess, contain or remove any hazardous substances on or near the property, and (iii) written notice of any knowledge or information Grantor obtains regarding the release or discovery of hazardous substances Grantor obtains regarding the release or discovery of hazardous substances on the property or on other property owned by Grantor or for which Grantor is or may be responsible.

8. On sale or transfer of all or any part of the property or any interest therein, or any interest therein, Beneficiary may, at Beneficiary's option, declare all sums secured by this Deed of Trust to be immediately due and payable and the Beneficiary may invoke any remedies permitted by law, this Deed of Trust or the Note secured hereby.

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 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 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. Upon default by Grantor in the payment of any indebtedness secured hereby or in the performance of any agreement contained herein, 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 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; (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 the interest in the property which Grantor had or had the power to convey at the time of his execution of this Deed of Trust, and such as he 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 encumbrancer 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; Beneficiary may cause this Deed of Trust to be foreclosed as a mortgage.

7. In the event of the death, incapacity, disability, or resignation of Trustee, 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 any action or proceeding in which Grantor, Trustee or Beneficiary 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 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.

Jeffery Peers Witham  
Jeffery Peers Witham  
"Grantor" 10-6-93

STATE OF WASHINGTON)  
 ) ss.  
COUNTY OF SKAGIT )

I hereby certify that I have or have satisfactory evidence that Jeffery Peers Witham signed this instrument and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in this instrument.

DATED this 1st day of October 1993.

Mary Jo DeLinger  
NOTARY PUBLIC in and for the  
State of Washington residing  
at Counte  
My commission expires 12-25-95

**REQUEST FOR FULL RECONVEYANCE**

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 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 person entitled thereto, the right, title and interest now held by you thereunder.

DATED this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

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