

WHEN RECORDED RETURN TO:

NAME SECURITY INVESTORS, INC.

ADDRESS 1625 S BURLINGTON BLVD

CITY, STATE, ZIP BURLINGTON WA 98233

\*199908040073\*

Kathy Hill, Skagit County Auditor  
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## DEED OF TRUST

(For Use in the State of Washington Only)

ISLAND TITLE CO.

SA-18979✓

THIS DEED OF TRUST, made this 29th day of July, 1999, between Ruzich Family Partnership, GRANTOR, whose address is 3319 West 3<sup>rd</sup> Street, Anacortes, WA 98221, Island Title Company, a corporation, TRUSTEE, whose address is 3110 Commercial Avenue, Suite 101, P.O. Box 1228, Anacortes, WA 98221, Security Investors, Inc., A Washington Corporation, BENEFICIARY, whose address is 1625 South Burlington Boulevard, Burlington, WA 98233, WITNESSETH: Grantor hereby bargains, sells and conveys to Trustee in Trust, with power of sale, the following described real property in Skagit County, Washington:

Full legal description is attached as Exhibit "A" and incorporated herein by this reference.

Tracts 3 & 4, Plate 11, Section 30, Township 35 North, Range 2 East

Skagit County Tax Parcel/Account No's: 350230-1-210-0300 & 350230-0-210-0200

which real property is not used principally for agricultural or farming purposes, together with all tenements, hereditaments, and appurtenances now or hereafter there unto 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-Six Thousand, Nine Hundred Ninety-Nine Dollars and 82/100 (\$26,999.82...) 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 improvements thereon which may be damaged or destroyed; and to comply with all laws, ordinances, regulation, 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. 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 even 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'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 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 the Deed of Trust.

IT IS MUTUALLY AGREED THAT:

1. In the event any portion of the property is taken or damaged in an eminent domain proceedings, 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 therein, all sums secured hereby shall immediately become due and payable at the option of the Beneficiary. In such even 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 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 this 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 the 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.
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, legatee, 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.

*Viktor Ruzich*  
*Maria Ruzich*  
*Randy Ruzich*  
*Victor Ruzich*

STATE OF WASHINGTON

STATE OF WASHINGTON

COUNTY OF SKAGIT

COUNTY OF SKAGIT

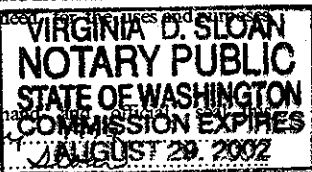
On this day personally appeared before me Viktor Ruzich,  
Maria Ruzich, Randy Ruzich

On this day ..... day of ..... before me, the undersigned a  
Notary Public in and for the State of Washington, duly commissioned and  
sworn, personally appeared ..... and

to me known to be the individual(s) described in and who  
executed the within and foregoing instrument, and acknowl-  
edged that... they... signed the same as... the i.e. ....  
free and voluntary act and deed, for the uses and purposes  
therein mentioned.

to me known to be the ..... of Security Investors, Inc.  
the corporation that executed the foregoing instrument, and acknowledged  
the said instrument to be the free and voluntary act and deed of said  
corporation, for the uses and purposes therein mentioned, and on oath that  
..... authorized to execute the said instrument and that  
the seal affixed is the corporate seal of said corporation.

GIVEN under my hand and seal this  
29th day of July  
Virginia D. Sloan  
Notary Public in and for the State of Washington,  
Residing at Burlington  
My appointment expires 8-29-02



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

Notary Public in and for the State of Washington,  
Residing at .....  
My appointment expires.....

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.....

\*199908040073\*

STATE OF WASHINGTON

COUNTY OF Skagit

} ss.

On this day personally appeared before me Maria Ruzich

who executed the within instrument as Attorney in Fact for Randy Ruzich and acknowledged to me that he/she signed and sealed for the uses and purposes therein mentioned, and on oath stated that the power of attorney authorizing the execution of this instrument has not been revoked and that the said Randy Ruzich is now living, and is not incompetent.

Given under my hand and official seal this 29th day of July 1999

Virginia D. Sloan

Notary Public in and for the State of Washington  
Name printed Virginia D. Sloan  
Residing at Burlington  
My commission expires 8-29-02

VIRGINIA D. SLOAN  
NOTARY PUBLIC  
STATE OF WASHINGTON  
COMMISSION EXPIRES  
AUGUST 29, 2002

EXHIBIT "A"

PARCEL A:

The West 293 feet, as measured along with South line of Lot 1, ANACORTES SHORT PLAT NO. ANA95-003 as approved June 6, 1995, and recorded August 30, 1995, in Volume 12 of Short Plats, pages 21 and 22, under Auditor's File No. 9508300040, records of Skagit County, Washington; being a portion of Tracts 3 and 4, Plate 11, Anacortes Tide and Shore Lands;

PARCEL B:

Lot 3, ANACORTES SHORT PLAT NO. ANA95-003 as approved June 6, 1995 and recorded August 30, 1995, in Volume 12 of Short Plats, pages 21 and 22, under Auditor's File No. 9508300040, records of Skagit County, Washington; being a portion of Tracts 3 and 4, Plate 11, Anacortes Tide and Shore Lands;

PARCEL C:

Lot 1, ANACORTES SHORT PLAT NO. ANA95-003 as approved June 6, 1995, and recorded August 30, 1995, in Volume 12 of Short Plats, pages 21 and 22, under Auditor's File No. 9508300040, records of Skagit County, Washington; being a portion of Tracts 3 and 4, Plate 11, Anacortes Tide and Shore Lands;

EXCEPT the West 293 feet as measured along the South line thereof;

Situate in Skagit County, Washington.

-END OF EXHIBIT "A"-

\*199908040073\*

Kathy Hill, Skagit County Auditor  
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