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Kathy Hill, Skagit County Auditor
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WHEN RECORDED RETURN TO:

JAMES E. ANDERSON
P. O. Box 727
Anacortes, WA 98221

DOCUMENT TITLE: DEED OF TRUST

REFERENCE NUMBER OF RELATED DOCUMENT:

**GRANTORS: JAMES E. ANDERSON AND JOYCE E. ANDERSON,
husband and wife**

**GRANTEES: JOACHIM RICHTER AND PATRICIA RICHTER,
husband and wife
DELBERT C. REISNER AND DONNA J. REISNER,
husband and wife**

ABBREVIATED LEGAL DESCRIPTION:

Parcels A, B, C and D of Survey recorded April 18, 1978, under Auditor's File No. 877714, in volume 2 of Surveys, page 89, records of Skagit County, Washington; being a portion of the Northeast Quarter of Section 28, Township 35 North, Range 1 East of the Willamette Meridian.

**ASSESSOR'S TAX PARCEL NOS: 350128-0-011-1704,
50128-0-011-2306, 50128-0-011-2700, 50128-0-011-2800**

DEED OF TRUST

THIS DEED OF TRUST, made this 6th day of July, 2000, between JAMES E. ANDERSON and JOYCE E. ANDERSON, husband and wife, GRANTORS, whose address is 2102 10th Street, Anacortes, Washington; Island Title Company, TRUSTEE, whose address is 3110 Commercial Avenue, Anacortes, WA 98221; and JOACHIM RICHTER and PATRICIA RICHTER, husband and wife, and DELBERT C. REISNER and DONNA J. REISNER, husband and wife, BENEFICIARIES, whose address is c/o P.O. Box 788, Anacortes, Washington 98221. This Deed of Trust shall be **secondary and subordinate** to an existing Deed of Trust in favor of Interwest Savings Bank as Beneficiary.

UNRECORDED

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

Which real property is not used principally for agricultural 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 herein contained, and payment of the sum of \$160,000 with interest, in accordance with the terms of two installment notes of even date herewith, payable to each of the Beneficiaries or order, and made by Grantors.

To protect the security of this Deed of Trust, Grantors covenant and agree:

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 Grantor. 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 Grantor in

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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 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 this 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 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 Beneficiaries to be applied to said obligation.

2. By accepting payment of any sum secured hereby after its due date, Beneficiaries do not waive their 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 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 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 Beneficiaries. 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; (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 Grantors 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 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; Beneficiaries 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, 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 any action or proceeding in which Grantor, Trustee or Beneficiary shall be a party unless such action or proceedings 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 or Beneficiaries shall mean the holder and owner of the note secured hereby, whether or not named as Beneficiary herein.



