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, Skagit County Auditor

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After recording, return to:
LUDWIGSON, THOMPSON, HAYES & BELL
119 No. Commercial St., #170, P. O. Box 399
Bellingham, WA. 98227

LAND TITLE COMPANY OF SKAGIT COUNTY

P-95542

DEED OF TRUST

THIS DEED OF TRUST, MADE THIS 29 day of JAN, 2001, between PAUL L. RONK and PEGGY J. RONK, GRANTORS, whose address is 923 Polte Road, Sedro Woolley, WA 98284; Land Title Company, a corporation, TRUSTEE, whose address is 111 Ea. George Hopper Road, Burlington, WA 98223; and NORMAN RAUCH and BARBARA RAURCH, BENEFICIARIES, whose address is 8035 Comox Road, Blaine, WA 98230.

WITNESSETH:

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

PARCEL A:

Lots 1 through 6, inclusive, and Lots 22, 23 and 24, Block 11, "WOOLLEY, THE HUB OF SKAGIT COUNTY, WASHINGTON", as per plat thereof recorded in Volume 2 of Plats, page 92, records of Skagit County, Washington

PARCEL B:

Lots 19, 20 and 21, Block 11, "WOOLLEY, THE HUB OF SKAGIT COUNTY, WASHINGTON", as per plat recorded in Volume 2 of Plats, page 92, records of Skagit County, Washington

PARCEL NOS. 4177-011-006-0000 & 4177-011-021-0001 & 4177-011-022-0000 & 4177-011-024-0008

Subject to exceptions, restrictions and easements of record.

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 purposes of securing performance of each agreement of Grantor herein contained, and payment of the sum of (\$208,385.00) TWO HUNDRED EIGHT THOUSAND THREE HUNDRED EIGHTY-FIVE DOLLARS, 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 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 therein 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 Beneficiary, and be in such companies as the Beneficiary may approve and have loss payable first to 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, the 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 of 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 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 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 or 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



