

AFTER RECORDING MAIL TO:

Name SEAS
Address 1301B RIVERSIDE DR.
City, State, Zip MT VERNON WA 98273
B67809

Filed for Record at Request of First American Title of Skagit County



200202210009
Skagit County Auditor

2/21/2002 Page 1 of 4 9:26AM

DEED OF TRUST

(For use in the state of Washington only)

THIS DEED OF TRUST, made this **15TH** day of **FEBRUARY**, **2002**, between **HANSELL MITZEL L.L.C.** GRANTOR, whose address is **1369 PACIFIC DRIVE, BURLINGTON, WA. 98233**, **First American Title of Skagit County**, a California corporation, TRUSTEE, whose address is **P.O. Box 1667, Mount Vernon, WA 98273**, and **GERALD HAMBURG AND MARGE A. HAMBURG, HUSBAND AND WIFE AND EUGENE R. MARBLE AND JOAN MARIE MARBLE, HUSBAND AND WIFE AND OLAF A. GILDNESS AND GAYLE GILDNESS, HUSBAND AND WIFE** AND **BENEFICIARY, 73** whose address is 1301B RIVERSIDE DR. MT VERNON WA WITNESSETH: Grantor hereby bargains, sells and conveys to Trustee in Trust, with power of sale, the following described real property in **SKAGIT** County, Washington:

See Exhibit A attached hereto and made a part hereof.

ABBREVIATED LEGAL: Section 9, Township 34, Range 4; Ptn. North 1/2 - SW 1/4

Assessor's Property Tax Parcel Account Number(s): **340409-3-003-0008 P24362, 340409-0-024-0009 P24308**

which real property is not used principally for agricultural or farming purposes, together with all 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 **FOUR HUNDRED SEVENTY EIGHT THOUSAND, ONE HUNDRED TWENTY FIVE AND NO/100** Dollars (**\$478,125.00**) 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 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'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:

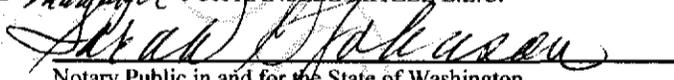
1. In the event any portion of the property is taken or damaged in an eminent domain proceeding, the entire amount of the award or such portion thereof as may be necessary to fully satisfy the obligation secured hereby, shall be paid to Beneficiary to be applied to said obligation.
2. By accepting payment 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 Trustees 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 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 purchasers 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 or 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, successors and assigns. The term Beneficiary shall mean the holder and owner of the note secured hereby, whether or not named as Beneficiary herein.



 HANSELL MITZEL L.L.C.

STATE OF WASHINGTON }
 COUNTY OF Skagit } ss

I certify that I know or have satisfactory evidence that DANIEL R. MITZEL is the person who appeared before me, and said person acknowledged that HE signed this instrument and acknowledged it to be HIS free and voluntary act for the uses and purposes mentioned in this instrument, AS *Mitzel* FOR HANSELL MITZEL L.L.C.
 Dated: 2-15-02



 Notary Public in and for the State of Washington
 Residing at *O.R.*
 My appointment expires: 8/21/03

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 _____



EXHIBIT "A"

The land referred to in this report/policy is situated in the State of Washington, County of Skagit, and is described as follows:

Parcel "A":

That portion of the West 1/2 of the Northeast 1/4 of the Southwest 1/4 of Section 9, Township 34 North, Range 4 East, W.M., lying Northerly of the County Road known as the Francis Road; EXCEPT that portion thereof described as follows:

Beginning at the intersection of the West line of said Northeast 1/4 of the Southwest 1/4 with the Northerly line of said Francis Road, said intersection being denoted by an iron rod; thence North along the West line of said subdivision a distance of 59 feet to the true point of beginning; thence North 43 degrees 31'30" East, a distance of 29.8 feet; thence Northwesterly a distance of 28.3 feet, more or less, to a point on the West line of said Northeast 1/4 of the Southwest 1/4 that is 41.1 feet North of the true point of beginning; thence South along said West line, a distance of 41.1 feet to the true point of beginning;

ALSO EXCEPT that Southeasterly portion thereof conveyed to the City of Mount Vernon by deed recorded as Skagit County Auditor's File No. 200112190135.

Parcel "B":

That portion of the East 1/2 of the Northwest 1/4 of the Southwest 1/4 of Section 9, Township 34 North, Range 4 East, W.M., described as follows:

Beginning at a point on the East line of said subdivision, which point bears North 0 degrees 02'45" East, a distance of 503.88 feet from the Southeast corner of said subdivision, said point also being on the tangent of the centerline of the Mount Vernon-Clear Lake County Road No. 276, if projected Northeasterly; thence South 41 degrees 46'30" West along said projected centerline of said County Road, a distance of 62.45 feet to the P.T. of the curve; thence continuing South 41 degrees 46'30" West along the centerline of said County Road, a distance of 39.55 feet; thence North 48 degrees 13'30" West at right angles to the centerline of said County Road, a distance of 222.40 feet to the Northeasterly corner of that tract conveyed by the Seattle First National Bank of Seattle, Washington, as Executor, and Dorothea Anderson, a single person, to James A. Duffy and Sharon R. Duffy, husband and wife, by deed dated May 15, 1966, and recorded June 8, 1966, under Auditor's File No. 683863, records of Skagit County, and which point is the true point of beginning of this description; thence



200202210009

Skagit County Auditor

North 48 degrees 13'30" West, a distance of 320 feet, more or less, to a point on the Southeasterly right-of-way line of that certain ditch right-of-way deeded by A. M. Borgen and Alma Borgen, husband and wife, to Diking District No. 20 by deed dated December 15, 1919, and recorded April 5, 1920, under Auditor's File No. 140938 on page 592, Volume 116 of Deeds, records of Skagit County; thence Northeasterly along the Southeasterly right-of-way line of said ditch right-of-way, to a point on the North line of said subdivision; thence South 89 degrees 35'20" East along the North line of said subdivision, a distance of 115 feet, more or less, to the Northeast corner of said subdivision; thence South 0 degrees 02'45" West along the East line of said subdivision, a distance of 671.85 feet to a point which bears North 0 degrees 02'45" East, a distance of 630.63 feet from the Southeast corner of said subdivision, and which point is the P.C. of a curve to the North and West, said point being on the Northeasterly line of those premises conveyed to Judy A. Pedersen by Deed recorded as Auditor's File No. 9812110113; thence along the curve of said Northeasterly line, the tangent to which curve at its point of commencement bears North 0 degrees 02'45" East, having a radius of 65.00 feet, a distance along the arc of 146.95 feet; thence South 50 degrees 31'00" West, a distance of 164.97 feet to the true point of beginning.



200202210009

Skagit County Auditor

2/21/2002 Page 4 of 4 9:26AM