

When recorded, return document to:

Ralph Hurvitz  
1420 Fifth Avenue  
Suite 3150  
Seattle WA 98101



200208210084

Skagit County Auditor

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### DEED OF TRUST

DOCUMENT TITLE:	Deed of Trust
REFERENCE NUMBER(S):	199202270083
GRANTOR:	Frederick Holm
GRANTEE:	Ralph Hurvitz
LEGAL DESCRIPTION:	Partington Place Division 1, Lot 21
ASSESSOR'S PROPERTY TAX PARCEL/ACCOUNT NUMBER	P100369

THIS DEED OF TRUST, made this 20 day of August, 2002, between FREDERICK HOLM, as Grantor, whose address is 300 N. 130th Street, Apartment 2111. Seattle, Washington; Pacific Northwest Title Company of Washington, as Trustee, whose address is 215 Columbia Street, Seattle, Washington 98202; and Ralph Hurvitz, as Beneficiary, whose address is 1420 Fifth Avenue, Suite 3150, Seattle, Washington 98101.

WITNESSETH: Grantor hereby bargains, sells and conveys to Trustee in Trust, with power of sale, the real property in Skagit County, Washington property commonly known as 819 S. 27<sup>th</sup> Street, Mount Vernon, Washington, which property is not used

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**ORIGINAL**

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; and together with all fixtures and articles of property, tangible or intangible, now or hereafter attached to or used in the operation of said premises, and replacements and additions thereto, all of which property mentioned in this paragraph is deemed party of the realty. All such property is collectively referred to herein as the "Property."

This deed is for the purpose of securing performance of each agreement of Grantor herein contained, and payment of the sum of FOUR THOUSAND FIVE HUNDRED AND 00/XXX Dollars (\$4500.00), 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 timely and fully comply with all of the terms and conditions of that certain Deed of Trust between Frederick Holm, as grantor and Farmers Home Administration, as beneficiary recorded under Skagit County Recording No. 199202270083 encumbering the Property, the "Prior Encumbrance". Such Prior Encumbrance has priority over the lien of this Deed of Trust and Grantor agrees that its failure to fully and timely comply with the terms and conditions of the Prior Encumbrance, whether or not a default is declared thereunder, shall constitute a default under this Deed of Trust.

2. 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 and restrictions affecting the Property.

3. To pay before delinquent all lawful taxes and assessments upon the Property in accordance with the requirements of the Prior Encumbrance; to keep the Property free and clear of all other charges, liens or encumbrances impairing the security of this Deed of Trust.

4. 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 the Prior Encumbrance and by this Deed of Trust. All policies shall be held in accordance with the requirements of the Prior Encumbrance and shall in addition have loss payable 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.

5. 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 attorneys fees in a reasonable amount, in any such action or proceeding, and in any suit brought by Beneficiary to foreclose the Deed of



Trust.

6. 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 attorneys' fees actually incurred, as provided by statute.

7. 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 by this Deed of Trust.

IT IS MUTUALLY AGREED THAT:

1. Subject to rights granted pursuant to the Prior Encumbrance, 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 credited by Beneficiary to the satisfaction of 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

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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 attorneys' 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 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 encumbrancers 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 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.

9. Subject to rights and restrictions pursuant to the Prior Encumbrance, Grantor irrevocably assigns to Beneficiary all of Grantor's interest in the rents and leases of the property described herein. However, so long as Grantor is not in default hereunder, grantor may collect the rents as they become due. Grantor shall first use the rents to pay normal operating costs for the Property and payments required hereunder. If Grantor is in default hereunder, Beneficiary or its agents, or a court appointed receiver, may collect the rents from the Property and operate and lease the Property in the name of the then owner on such terms as it may deem advisable. Any rents so received shall be applied to the cost of collection, operating expenses of the Property and payments due hereunder in such order as Beneficiary may determine.

10. If all or any part of the Property or any interest in it is sold, transferred or encumbered, voluntarily or involuntarily, without, in each instance, the prior written consent of the beneficiary of the Prior Encumbrance or the Beneficiary of this deed of trust, Beneficiary hereunder may, at its option, require immediate payment in full of all sums secured by this Deed of Trust.

11. A copy of the Notice of Default or Notice of Sale hereunder or pursuant to the Prior Encumbrance shall be mailed by Beneficiary to Grantor at Grantor's address hereinbefore set forth or to such other address of which Grantor shall notify Beneficiary.



Witness the hand of the Grantor on the day and year first above written.

GRANTOR:

Frederick Holm  
FREDERICK HOLM

STATE OF WASHINGTON )  
COUNTY OF KING ) ss.

I CERTIFY that I know or have satisfactory evidence that Frederick Holm is the person who appeared before me, and said person acknowledged that he signed this instrument and acknowledged it to be their free and voluntary act for the uses and purposes mentioned in this instrument.

DATED: 30<sup>th</sup> August, 2002



Diana L. Inscore  
Diana L. Inscore (Printed Name)  
Notary  
My Appointment Expires: 3/13/05

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