

**After Recording Return To:**

**Law Office of Brian E. Clark, Inc., P.S.  
415 Pine Street / P. O. Box 336  
Mount Vernon, WA 98273**



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Skagit County Auditor

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**SECOND  
DEED OF TRUST**

LAND TITLE COMPANY OF SKAGIT COUNTY

105883PE

**GRANTOR:** ROLFSON, Eric G. and  
ROLFSON, Grace M. husband and wife

**TRUSTEE:** LAND TITLE COMPANY

**BENEFICIARY:** SHOPPING CENTER PROPERTIES OF  
MOUNT VERNON, LLC, a Washington limited liability company

**Legal Description:**

Abbreviated Form: Ptn SE ¼ of NW ¼, 19-34-4 E W.M.

Additional on Page: 5

**Assessor's Tax Parcel No:** 340419-2-014-0005 (P26680)

THIS Second Deed of Trust, made this 1st day of April, 2003, between **ERIC G. ROLFSON and GRACE M. ROLFSON, husband and wife**, as Grantor, whose address is 1101 West Division, Mount Vernon, WA 98273; **LAND TITLE COMPANY**, as Trustee, whose address is 111 East George Hopper Road, P.O. Box 445, Burlington, WA 98233, and **SHOPPING CENTER PROPERTIES OF MOUNT VERNON, LLC, a Washington limited liability company**, as Beneficiary.

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

That certain tract of land listed and described on Exhibit "A" attached hereto and incorporated herein by this reference as if fully set forth herein.

SUBJECT TO: Reservations, restrictions and easements of record.

**Second Deed of Trust**

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which 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 instrument may, at the election of the Beneficiary, be foreclosed judicially as a mortgage pursuant to RCW 61.12.

This Second Deed of Trust is for the purpose of securing performance of each agreement of the Grantor herein contained and payment of the sum of **ONE HUNDRED THOUSAND DOLLARS (\$100,000)**, 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 its successors or assigns, together with interest thereon at such rate as shall be agreed upon. The term "Grantor" as used in this agreement includes "Borrower" as defined in RCW 61.24, if the Borrower is a person or entity other than the Grantor.

The Grantor and Beneficiary herein agree that the lien created by this Second Deed of Trust is subordinate in all respects to the Purchase Money Note in the principal amount of \$570,000 and Deed of Trust, both dated April 1, 2003, including all advances, charge made or accruing thereunder, including any extension or renewal thereof between the same parties.

TO PROTECT THE SECURITY OF THIS SECOND 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 improvements 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 free and clear of all other charges, liens or encumbrances impairing the security of this Second Deed of Trust.
3. To keep all buildings now or hereafter erected on the property described herein continuously insured against loss by fire hazards in an amount not less than the replacement value. 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 their 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 Second 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 Second Deed of Trust.
5. To pay all costs, fees and expenses in connection with this Second 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 Second Deed of Trust.

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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 portions 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 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 Second 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 the sale, including a reasonable Trustee's fee and attorney's fees; (2) to the obligation secured by this Second Deed of Trust; and, (3) the surplus, if any, shall be distributed to the persons entitled thereto. **A default under the terms of this instrument shall also constitute a default under that certain Purchase Promissory Note in the principal amount of \$570,000 and Deed of Trust, both dated April 1, 2003.**
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 their execution of this Second Deed of Trust, and such as they may have acquired thereafter. Trustee's deeds shall recite the facts showing that the sale was conducted in compliance with all the requirements of law and of this Second Deed of Trust, which recital shall be prima facie evidence of such compliance and conclusive evidence thereof in favor of bonafide purchaser and encumbrances for value.
6. The power of sale conferred by this Second Deed of Trust and by the Deed of Trust Act of the State of Washington is not an exclusive remedy; Beneficiary may cause this Second 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 Second 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 Second 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 shall mean the holder and owner of the note secured hereby, whether or not named as Beneficiary herein.
9. In the event of default by the Grantor in the payment of any indebtedness secured hereby or the performance of any other agreement, obligation or condition in this Second Deed of Trust, the Beneficiary shall be entitled to collect and retain the rents, issues and profits from said property or any part thereof, either with or without taking possession.

**Second Deed of Trust**

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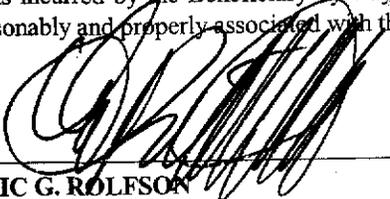


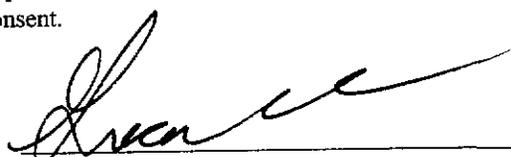
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TRANSFER OF PROPERTY; ASSUMPTION:

1. Beneficiary may declare all sums secured by this Second Deed of Trust to be immediately due and payable if all or any part of the property or any interest therein is sold or transferred by Grantor without Beneficiary's prior written consent.
2. Beneficiary shall waive the option to accelerate if, prior to sale or transfer, the Beneficiary and the person to whom the property is to be sold or transferred reach an agreement, in writing, that the credit of such person is satisfactory to Beneficiary and the interest payable on the sum secured by this Second Deed of Trust shall be at such rate as Beneficiary requests. Beneficiary will not unreasonably withhold consent.
3. The foregoing provisions for acceleration or increase in interest rate shall not apply if: (a) the conveyance or transfer is to create a lien or encumbrance subordinate to this Second Deed of Trust; (b) the transfer is by devise or descent upon the death of one of the Grantor, or in trust for the benefit of the Grantor; and, (c) the transfer is by one of the Grantor to the other.
4. Any consent to transfer by Beneficiary will not relieve Grantor from liability on the debt secured by this Second Deed of Trust or the terms of this Second Deed of Trust.
5. Beneficiary shall be entitled to charge a fee as a condition to such consent, such fee to be equal to the reasonable costs incurred by the Beneficiary by way of securing credit reports, financial statements, legal advice, and other costs reasonably and properly associated with the granting of such consent.

  
 \_\_\_\_\_  
 ERIC G. ROLFSON

  
 \_\_\_\_\_  
 GRACE M. ROLFSON

STATE OF WASHINGTON }  
 COUNTY OF SKAGIT } ss.

I certify that I know or have satisfactory evidence that **ERIC G. ROLFSON and GRACE M. ROLFSON, husband and wife**, are the persons who appeared before me and said persons acknowledged that they signed this instrument and acknowledged it to be their free and voluntary act for the uses and purposes mentioned in the instrument.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this 1st day of April, 2003.



  
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Printed Name Carrie Huffer  
 NOTARY PUBLIC in and for the State of Washington  
 My Commission Expires 12/31/2003

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**EXHIBIT "A"**  
**(Legal Description)**

**Parcel A:**

The West 150 feet of that portion of the East 698 feet of the South ½ of the Southeast ¼ of the Northwest ¼ of Section 19, Township 34 North, Range 4 East, W.M., lying North of Division Street produced West from the City of Mount Vernon and North of State Highway right of way,

EXCEPT road rights of way,

ALSO EXCEPT that portion thereof described as follows:

Beginning at the monumented center of said Section 19, as shown on that certain Record of Survey map recorded in Volume 11 of Surveys, page 94, under Skagit County Auditor's File No. 9106240014, records of Skagit County, Washington;  
thence North 1°11'19" East 636.84 feet along the East line of the Northwest ¼ of said Section 19, to the Northeast corner of said South ½ of the Southeast ¼ of the Northwest ¼ of Section 19;  
thence South 88°48'03" West 698.61 feet along the North line of said subdivision to the Northwest corner of the above described tract;  
thence South 1°11'19" West 143.00 feet along the West line of said above described tract to the true point of beginning;  
thence continue South 1°11'19" West 60.63 feet;  
thence North 10°00'08" East 59.92 feet to a point bearing South 79°59'52" East from the true point of beginning;  
thence North 79°59'52" West 9.29 feet to the true point of beginning.

Situate in the County of Skagit, State of Washington.

**Parcel B:**

The North 28 feet of the West 110 feet of the following described property:

That portion of the East 548 feet of the South ½ of the Southeast ¼ of the Northwest ¼ of Section 19, Township 34 North, Range 4 East, W.M., lying Northerly of Division Street produced West from the City of Mount Vernon and Northerly of the State Highway right of way and lying Westerly of that certain tract described in Warranty Deed from Harvey E. Vaux and Nymah M. Vaux, husband and wife, to Mount Vernon Lodge No. 1604 of the Benevolent and Protective Order of Elks of the United States of America, recorded under Auditor's File No. 463074.

Situate in the County of Skagit, State of Washington.



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