

SELLER Deed of Trust



200603220108

Skagit County Auditor

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After recording return to:

Kevin Capuzzi  
SSHI LLC dba D R Horton  
12931 NE 126th Place, Building B1  
Kirkland, Washington 98034

<b>DOCUMENT TITLE</b>	DEED OF TRUST
<b>REFERENCE NO. OF DOCUMENTS ASSIGNED/RELEASED</b>	
<b>GRANTOR</b>	Eaglemont Golf Club, Inc., successor-in-interest to Unison Development Company, a Washington corporation
<b>GRANTEE</b>	SSHI LLC, a Delaware limited liability company d/b/a D R Horton
<b>LEGAL DESCRIPTION</b>	Portions of Sections 35 and 36, Township 34 North, Range 4 East, W.M., Skagit County, WA as more fully described on Exhibit A attached hereto and incorporated herein.
<b>ASSESSOR'S PARCEL NO.</b>	340435-1- <del>001</del> -001-0002 P29754, 340435-1- <del>001</del> -001-0200 P29756, 340435-1- <del>001</del> -003-0000 P29758, 340435-1- <del>001</del> -002-0001 P29757, 340426-4-014-0002 P27937, 340426-4-015-0001 P27938 and P29773, 340435-2-002-0009

FIRST AMERICAN TITLE CO.

DEED OF TRUST

ACCOMMODATION RECORDING ONLY

*BB6866*

**WITH DUE ON SALE PROVISIONS**  
(For Use in the State of Washington Only)

THIS DEED OF TRUST, made this 17th day of March, 2006, between Eaglemont Golf Club, Inc., successor-in-interest to Unison Development Company, a Washington corporation as GRANTOR, whose address is 4127 Eaglemont Drive, and Chicago Title Insurance Company as TRUSTEE, whose address is 701 Fifth Avenue, #3400, Seattle, Washington 98104, and SSHI LLC, a Delaware limited liability company d/b/a D R Horton as BENEFICIARY, whose address is 12931 NE 126th Place, Building B1, Kirkland, Washington 98034.

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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 incorporated by reference herein

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 of Trust is for the purpose of securing performance of the Note of even date herewith and of each agreement of Grantor herein and therein contained, and repayment of the Earnest Money released to Grantor in the amount of Three Hundred Thousand Dollars 00/100 (\$300,000.00), with interest, in accordance with the terms of the Land Purchase and Sale Agreement dated November 22, 2005 ("Purchase Agreement"). The Purchase Agreement sets forth the terms and conditions on which the Three Hundred Thousand Dollars (\$300,000.00) Earnest Money secured hereby must be repaid to Beneficiary. This Deed of Trust also secures modifications and extensions of the Purchase Agreement, and also such further sums as may be advanced by Beneficiary to Grantor pursuant to the Purchase Agreement, or any of their successors or assigns, together with interest thereon at such rate as shall be agreed upon.

If Grantor defaults in its obligations, Beneficiary shall notify Grantor, in writing, of the default. If the default is not cured within the time set forth in the Purchase Agreement or this Deed of Trust, whichever is longer, then the entire obligation shall be due immediately. If the obligation is not paid in full, Beneficiary may foreclose on all of the properties securing the obligation, it being understood that less than all of the property has little to no value to Beneficiary and that Beneficiary would not have released the Earnest Money to Grantor if Grantor had not agreed that Beneficiary could foreclose on all of the property if the Earnest Money were not repaid to Beneficiary as set forth in the Purchase Agreement. Grantor hereby expressly waives its rights to request marshalling of assets or to require the Beneficiary to foreclose on less than all of the property. Beneficiary may conduct its foreclosure sales concurrently or severally.

As further security for this obligation, Grantor hereby grants to Beneficiary a security interest in all leases and rental agreements for any part of the property and all of the proceeds therefrom. In the event of default, Beneficiary may immediately notify the tenants to make all payments to Beneficiary. All said leases are and shall remain subordinate to this Deed of Trust.

To protect the security of this Deed of Trust, Grantor covenants and agrees:

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1. To keep the property in good condition and repair; to permit no waste thereof; 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 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 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.

*J.*



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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 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 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 purchaser 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 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, and assigns. The term "Beneficiary" shall mean the holder and owner of the note secured hereby, whether or not named as Beneficiary herein.

9. If all or any part of the property or any interest in it is sold or transferred (except a transfer by death), without Beneficiary's prior written consent, Beneficiary may, at Beneficiary's sole option, require immediate payment in full of all sums secured by this Deed of Trust. If Beneficiary exercises this option, Beneficiary shall give Grantor notice of acceleration. This notice shall provide a period of not less than ten days from the date the notice is delivered or

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mailed within which Grantor must pay all sums secured by this Deed of Trust. If Grantor fails to pay these sums prior to expiration of the ten-day period, Beneficiary may invoke any remedies permitted by this Deed of Trust without further notice or demand on Grantor. The ten-day notice of acceleration may be given concurrently with or as part of a Notice of Default.

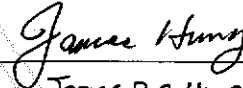
10. All notices to Grantor shall be sent to the address set forth in the Purchase Agreement. The Notice shall be deemed given on the date the Notice is personally served on Grantor.

11. This Deed of Trust may be signed in counterparts and the signature pages collected and attached to one document for recording to form a fully executed and recorded original document. The undersigned hereby jointly and severally represent and guaranty that they have fee title to the property pledged hereby and that they have the authority to sign this Deed of Trust and the note and to bind the undersigned entity hereto.

**ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, EXTEND CREDIT, OR FORBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.**

**GRANTOR: Eaglemont Golf Club, Inc.  
successor-in-interest to Unison Development  
Company, a Washington corporation**

By:

  
James S. C. Hung, President

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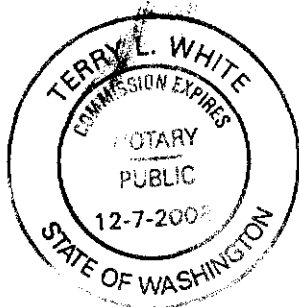
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STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF KING )

THIS IS TO CERTIFY that on this 17<sup>th</sup> day of March, 2006, before me, a Notary Public in and for the State of Washington, duly commissioned and sworn, came James Hung, personally known or having presented satisfactory evidence to be the President of Eaglemont Golf Club, Inc., successor-in-interest to Unison Development Company, the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the said instrument on behalf of said corporation.

WITNESS MY HAND and official seal the day and year in this certificate first above written.



Print Name: Terry L. White

Notary Public in and for the  
State of Washington, residing at

Mount Vernon

Expiration Date: 12-7-2008



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Skagit County Auditor

## EXHIBIT A

### (Legal Description of Property)

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":**

The Northeast  $\frac{1}{4}$  of the Northeast  $\frac{1}{4}$  of Section 35, Township 34 North, Range 4 East, W.M., EXCEPT the North  $\frac{1}{2}$  of the Northeast  $\frac{1}{4}$  thereof, AND EXCEPT portion, if any, conveyed to Skagit County for Mountain View Road, by deed recorded under Auditor's File No. 177829.

**Parcel "B":**

The Northeast  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  of the Northeast  $\frac{1}{4}$  and the Northwest  $\frac{1}{4}$  of the Southeast  $\frac{1}{4}$  of the Northeast  $\frac{1}{4}$  of Section 35, Township 34 North, Range 4 East, W.M.

**Parcel "C":**

The East  $\frac{1}{2}$  of the Northwest  $\frac{1}{4}$  of the Northeast  $\frac{1}{4}$  of Section 35, Township 34 North, Range 4 East, W.M.

**Parcel "D":**

The Southwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  of the Southeast  $\frac{1}{4}$  of Section 36, Township 34 North, Range 4 East, W.M., TOGETHER WITH a non-exclusive easement for ingress and egress over and across the West 50 feet of the Southeast  $\frac{1}{4}$  of the Southeast  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$ , Section 36, Township 34 North, Range 4 East, W.M.

*[Handwritten mark]*

