

FILED FOR RECORD AT THE
REQUEST OF/RETURN TO:

Kevin Rogerson
City Attorney's Office
PO Box 809
910 Cleveland Avenue
Mount Vernon, WA. 98273



200607050117

Skagit County Auditor

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LAND TITLE OF SKAGIT COUNTY

DEED OF TRUST

121239-P

Grantor (s) CITY OF MOUNT VERNON, a municipal corporation
Grantee (s) Michael S. Barsness, who also appears of record as Michael Steven Barsness
and Michael A. Barsness and Mary Anne Barsness, Husband and Wife.
Additional Grantor(s) on page(s)
Additional Grantee(s) on page(s)
Abbreviated Legal: Tract "A" of SP 39-83 in 29-34-4 E.W.M.
Additional Legal on page(s)
Assessor's Tax Parcel No's: P28758 Acct. No. 340429-4-014-009

THIS DEED OF TRUST, made July 5th, 2006, between the City of Mount Vernon, a municipal corporation, as Grantors, whose address is PO Box 809 910 Cleveland Avenue, Mount Vernon, WA 98273, and Land Title Co. of Skagit County, as Trustee, whose address is 111 E. George Hopper Rd., P.O. Box 445, Burlington, WA 98233; and Michael S. Barsness and Mary Anne Barsness, Husband and Wife, as Beneficiaries, whose address is 19787 Anderson Road, Mount Vernon, WA 98274.

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 herein by this reference, 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 each agreement of grantor herein contained, and payment of the sum of \$825,000.00 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 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 deed of trust.
- 3) To keep all buildings now or hereafter erected on the property described herein continuously insured against loss by fire and earthquake hazards in an amount not less than \$345,000.00.
- 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 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 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

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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 deed of trust; and, (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 its execution of this deed of trust, and such as it 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 deed of trust, which recital shall be prima facie evidence of such compliance and conclusive evidence thereof in favor of bona fide purchaser 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, 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.

TRANSFER OF PROPERTY; ASSUMPTION:

- 1) Beneficiary may declare all sums secured by this 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 grantors.

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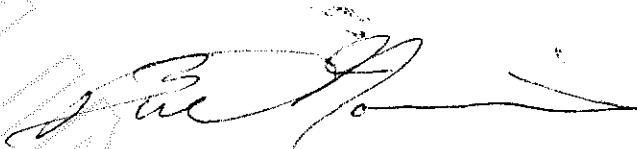


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BUD NORRIS, MAYOR CITY OF MOUNT VERNON

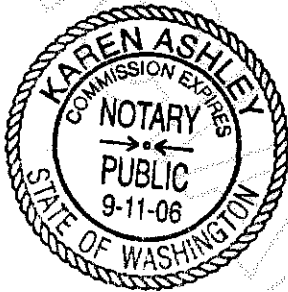
STATE OF Washington
County of Skagit


}
} SS:

I certify that I know or have satisfactory evidence Bud Norris

_____ the person who appeared before
me, and said person acknowledged that he _____ signed this instrument, on oath stated he
authorized to execute the instrument and is Mayor
_____ of City of Mount Vernon
to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

Dated: July 5, 2006




Karen Ashley
Notary Public in and for the State of Washington
Residing at Sedro-Woolley
My appointment expires: 9/11/2006

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EXHIBIT A

Tract "A" of Skagit County Short Plat No. 39-83, approved November 14, 1983 and recorded November 14, 1983, under Auditor's File No. 8311140026 in Volume 6 of Short Plats, pages 97 and 98, being a portion of the Southeast ¼ of the Southeast ¼ of Section 29, Township 34 North, Range 4 East, W.M. TOGETHER WITH easement for ingress and egress and utilities over and across the Westerly 30 of Tracts "B" and "D" of said Short Plat as delineated on the face thereof. ALSO, TOGETHER WITH that certain easement for drainfield being 160 feet by 200 feet in Tract "D" of said Short Plat and delineates on the face thereof. Situate in the County of Skagit, State of Washington

SUBJECT TO AND TOGETHER WITH easements, reservations, restrictions, covenants, liens, leases, court causes and other instruments of record.

SUBJECT TO: Easements, restrictions and reservations of record.

Situate in Skagit County, State of Washington.

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