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Skagit County Auditor

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RETURN TO:

Cascade Law Center, PLLC
414A Snoqualmie Street
Mount Vernon, WA 98273

Document Title: DEED OF TRUST

Reference number of documents assigned or released:

Grantor(s): ROBERT J. & CHERYL SCHMITT

Grantee(s): ROBERT C. & JANE L. SCHMITT

Trustee: LAND TITLE CO.

Partial Legal Description (full legal description on page 5):

PTN NE ¼ NE ¼ S-25 T34N R-4EWM

Assessor's Parcel/Tax I.D. Number: P27811/340425-1-001-0004

Second Deed of Trust

THIS DEED OF TRUST, made this 6 day of ^{Sept}~~August~~, 2006, Between ROBERT J. & CHERYL L. SCHMITT, husband and wife, Grantor, whose address is 1807 E. Fox Hill Street, Mount Vernon, Washington and Land Title Co, a Washington corporation as Trustee, whose address is: 111 E. George Hopper Road, Burlington, Washington and ROBERT C. & JANE L. SCHMITT, husband and wife, BENEFICIARY, whose address is 23443 Sherry Lane, Mount Vernon, Washington, Witnesseth: Grantor hereby bargains, sells and conveys to Trustee in Trust, with power of sale, the following described real property in Skagit County, Washington:

The property legally described on the attached Exhibit A.

Assessor's Property Tax Parcel/Account Number(s): P27811 / 340425-1-001-0004

which real property is not used principally for agriculture of farming purposes, together with all the tenements, hereditaments, and appurtenances now or hereafter thereunto belonging in any wise appertaining, and the rents, issues and profits thereof. This deed is for the purpose of securing performance of each agreement of grantors herein contained, and payments of the sum of **three hundred twenty five thousand and 00/100 dollars (\$325,000.00)** 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 of 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 foreclosures 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



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costs 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 expense 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 to 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 hereby shall immediately become due and payable at the option of the Beneficiary. In such event and upon written request 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 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 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 upon any other Deed of Trust of any action or



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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.

Ceryl L. Schmitt
CHERYL L. SCHMITT

I certify that I know or have satisfactory evidence that ROBERT J. SCHMITT and CHERYL L. SCHMITT are the person(s) who appeared before me, and said person(s) 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.

A circular notary seal for E. M. Berg, a Notary Public in the State of Washington. The seal features the text "E. M. BERG" at the top, "COMMISSION EXPIRES" on the left, "NOTARY PUBLIC" in the center, and "STATE OF WASHINGTON" at the bottom. The expiration date "7-13-2007" is printed at the bottom center.

E.M. Berg, Notary Public
in and for the State of
Washington, residing at LaConner.
My commission expires July 13, 2007



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EXHIBIT A

LEGAL DESCRIPTION:

Tract 10 of that certain survey entitled "THE UPLANDS", filed December 14, 1982, under Auditor's File No. 8212140010, in Volume 4 of Surveys, page 56 through 61, inclusive, corrected by Affidavit recorded under Auditor's File No. 8212290015, records of Skagit County, Washington; being a portion of Sections 24 and 25, Township 34 North, Range 4 East of the Willamette Meridian, and Section 30, Township 34 North, Range 5 East of the Willamette Meridian.

TOGETHER WITH easements as delineated on the face of said Survey and as reserved and/or dedicated by instruments recorded under Auditor's File Nos. 8002040045 and 8212100052, records of Skagit County, Washington; EXCEPT those portions of Tracts 1, 4 and 13 deeded to Skagit County for road purposes by instruments recorded under Auditor's File Nos. 8610160006 through 8610160010, 8610160011 through 8610160015 and 8610230021 through 8610230025, respectively, records of Skagit County, Washington.

Situated in Skagit County, Washington



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