



200710180086

Skagit County Auditor

WHEN RECORDED RETURN TO:

THE DOLSEN COMPANIES

PO BOX 1726

YAKIMA WA 98907

10/18/2007 Page

1 of

8 3:14PM

LAND TITLE OF SKAGIT COUNTY

127290-PA

DOCUMENT TITLE(S):

DEED OF TRUST

REFERENCE NUMBER(S) OF DOCUMENTS ASSIGNED OR RELEASED:

GRANTORS:

WOODROW JACKSON  
ROSEMARY JACKSON

GRANTEES:

THE DOLSEN COMPANIES

*Land Title Company*

ABBREVIATED LEGAL DESCRIPTION:

LOTS 13, 14, 52, 53, 54 BLK 3, HOLIDAY HIDEAWAY #1

TAX PARCEL NUMBER(S):

P65846, P65887, P65845, P65888, P65889

**WHEN RECORDED MAIL TO:**

The DOLSEN COMPANIES  
P.O. Box 1726  
Yakima, WA 98907

**DEED OF TRUST**

<b>Grantors:</b>	(1) Woodrow Jackson	(2) Rosemary Jackson
<b>Grantee:</b>	The Dolsen Companies	
<b>Abbreviated Legal Description:</b>	HOLIDAY HIDEWAY NO 1 LOT 52 BLK 3	
<b>Complete legal description is on page</b>	___ below.	
<b>Assessor's Tax Parcel No.:</b>	P65887	

THIS DEED OF TRUST is granted this 12 day of September, 2007, between Woodrow Jackson and Rosemary Jackson, Grantor, whose address is 3111 S. Ferdinand St. Seattle, WA 98108, and Land Title Company of Skagit Co. Trustee, whose address is 111 E. George Hopper, Burl, and The Dolsen Companies, a Washington corporation, Beneficiary, whose address is 301 North Third Street, Suite 7, P.O. Box 1726, Yakima, Washington 98907.

**GRANT OF DEED OF TRUST AND SECURITY INTEREST.**

For valuable consideration, Grantor hereby irrevocably grants, bargains, sells and conveys to Trustee, in trust, with power of sale, all of Grantor's present and future right, title, interest and estate, whether now owned or hereafter acquired, in and to the following described property situated in Skagit County, Washington, and to the extent any of said property may constitute personal property, Grantor hereby grants to Beneficiary a security interest under Article 9A of the Washington Uniform Commercial Code in said property (subject to Grantor's present, absolute and unconditional assignment of rents hereinafter made), to-wit:

The legal description of the real property which is the subject of this Deed of Trust is attached hereto as Exhibit A. together with all rents, deposits revenues, profits, proceeds, issues and other payments or rights to payment derived therefrom or attributable thereto, however evidenced or manifested; and together with all improvements, structures, appurtenances, fixtures, attachments, tenements, privileges, rights, easements, water rights (including permits, certificates and shares evidencing the same), minerals, including oil and gas, upon and under the property and mineral rights appurtenant to, belonging to or used in conjunction with the above-described property. The foregoing real property is sometimes hereinafter referred to as "the Subject Property" or "the Property."

**INDEBTEDNESS SECURED.**

This Deed of Trust shall secure: \$124,527.12

(a) the payment and performance of all past, present and future indebtedness and obligations of Grantor and/or [Dolsen/Lessee/Borrower/Creditors] to Beneficiary, however evidenced and of any nature whatsoever, including all interest thereon, whether direct or indirect, absolute or contingent, together with any and all extensions, renewals or modifications of such indebtedness and obligations, specifically including, without limiting the generality of the foregoing, (a) all liabilities, indebtedness and/or obligations now or hereafter owing, arising or payable to Beneficiary by virtue of or in relation to personal property leases, installment sale contracts, promissory notes, security agreements and/or other agreements now or hereafter in effect between Grantor and/or [Dolsen Lessee/Borrower/Creditor] and Beneficiary and/or its divisions; (b) the payment of all other sums, with interest thereon, including reasonable attorneys' fees, advanced or incurred by Beneficiary in accordance with this Deed of Trust to protect, preserve, enforce or realize upon Beneficiary's interest in the Subject Property; and (c) the performance of Grantor's covenants and agreements contained herein (hereinafter collectively referred to as the "Indebtedness").

**GRANTOR'S COVENANTS AND AGREEMENTS.**

Grantor further covenants and agrees with Beneficiary as follows:

- 1. Non-Agricultural Property.** The Subject Property is not used principally or primarily for agricultural or farming purposes.
- 2. Warranties Regarding Status of Property.** The following warranties and representations relating to status of the Property are a part of this Deed of Trust.
  - 2.1.** Grantor warrants that: (a) Grantor's right, title, interest and estate in the Subject Property is free and clear of all liens and encumbrances other than those set forth in the real property description attached hereto or in any title insurance policy issued in favor of and accepted by Beneficiary in connection with this Deed of Trust, and (b) Grantor has the full right, power, and authority to execute and deliver this deed of trust to Beneficiary.



200710180086

Skagit County Auditor

2.2. Subject to the exception in the paragraph above, Grantor warrants and will forever defend its right, title, interest and estate in and to the Property against the lawful claims of all persons. In the event any action or proceeding is commenced that questions Grantor's title or the interest of Trustee or Beneficiary under this Deed of Trust, Grantor shall defend the action at

Grantor's expense. Beneficiary shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of Beneficiary's choice, and Grantor will deliver, or cause to be delivered, to Beneficiary such instruments as Beneficiary may request from time to time to permit such participation.

2.3. Grantor warrants that the Property complies with all applicable laws, ordinances, and regulations of governmental authorities.

**3. Irrigation and Water Rights.** Grantor shall take all steps to preserve and protect irrigation and water rights and will not permit anything to be done which impairs said rights or the use or exercise thereof. Grantor covenants that it shall not in any manner or for any purpose sell, assign, convey or otherwise transfer irrigation and water rights without Beneficiary's prior written consent. Beneficiary may, its option, but without any obligation to do it, cure any defaults of Grantor on any terms or conditions of irrigation or water rights, and direct any issuing agency to recognize Beneficiary's interest in such rights before or after any foreclosure. Irrigation and water rights may be assigned by Beneficiary to any purchaser in the event of foreclosure. Grantor hereby irrevocably appoints Beneficiary as its attorney-in-fact to make, execute and deliver such instruments of transfer of irrigation and water rights as Beneficiary shall deem necessary and proper which power Beneficiary may exercise in the event of default by Grantor under this Deed of Trust.

**4. Liens.** Grantor agrees to keep the Property free from statutory liens, governmental liens, and any and all other liens or encumbrances of any kind, without the prior express written consent of Beneficiary.

**5. Liability for Secured Indebtedness.** Grantor agrees to promptly pay when due the principal and interest on the Indebtedness secured by this Deed of Trust.

**6. Maintenance of Property.** Grantor agrees to maintain the buildings and all other improvements on the Property in good condition and state of repair at all times and shall not commit nor suffer any waste. Grantor shall promptly comply with all requirements of the federal, state and municipal authorities and all other laws, ordinances, regulations, covenants, conditions and restrictions respecting the Property or the use thereof and to pay all fees or charges of any kind in connection with the Property. Grantor shall promptly make all necessary repairs, replacements and renewals so that the value of the Property shall be maintained.

**7. Taxes and Assessments.** Grantor agrees to pay all taxes, assessments, fines and other charges attributable to the Property which may attain a priority over this Deed of Trust, including leasehold payments and ground rents, if any, by making payment, when due, directly to the party entitled to the payment. Grantor shall furnish to Beneficiary all notices of amounts due under this paragraph. In the event Grantor shall make payment directly to the party entitled to the payment, Grantor shall furnish receipts to Beneficiary evidencing such payments.

**8. Insurance.** 8.1. Grantor shall carry such insurance as Beneficiary may reasonably require. This shall, at a minimum, include insurance on the Property against fire, additional risks covered by a standard endorsement for extended coverage, and such other risks as may be specified by the Beneficiary, including without limitation flood and war risks. Insurance on the Property shall be carried in companies and under policies approved by the Beneficiary and shall be for an amount equal to the remaining unpaid portion of the secured Indebtedness or the full insurable value of the property, whichever is more and an amount sufficient to prevent application of any co-insurance penalty in any policy.

8.2. All policies of insurance on the Property shall bear an endorsement in a form satisfactory to the Beneficiary making loss payable to the Beneficiary and, at the request of Beneficiary, shall be deposited with the Beneficiary. In the event of loss, Grantor shall immediately notify Beneficiary who may make proof of loss if it is not made promptly by Grantor. Proceeds shall be paid directly to the Beneficiary who may compromise with any insurance company and make a final settlement which shall be binding upon Grantor. The Beneficiary may, at its election, apply the proceeds to the reduction of the Indebtedness or the restoration or repair of the Property.

8.3. Grantor shall furnish to Beneficiary a certificate of insurance setting forth the coverage, the limits of liability, the carrier, the policy number and the expiration date. At least **thirty (30) days** prior to the expiration of any policy, a satisfactory renewal or substitute policy shall be secured by Grantor. The required policy or policies shall provide for at least **thirty (30) days** written notice to Beneficiary prior to the effective date of any cancellation or material amendment of the policy or policies.

8.4. As additional security for the Indebtedness, Grantor hereby assigns to Beneficiary all insurance policies covering the Property, together with all proceeds thereof, rights thereto, and all unearned premiums returnable upon cancellation. In the event of Beneficiary's foreclosure against the Property or other transfer of title in the property to Beneficiary in lieu of foreclosure, all of Grantor's interest in and to any and all insurance policies in force shall pass to the Beneficiary or to such other transferee or purchaser, and Beneficiary is hereby irrevocably authorized to assign in Grantor's name to such purchaser or transferee all such policies, which policies may be amended or rewritten to show the interest of such purchaser or transferee.



**EXPENDITURES BY BENEFICIARY:**

9. If Grantor shall fail to comply with any provision of this Deed of Trust (except failure to pay principal and interest), the Beneficiary may, at its option, on Grantor's behalf, take the required action and any amount that it expends in so doing shall be added to the Indebtedness. Amounts so added shall be payable on demand with interest at the same rate as provided in the Note from the date of expenditure. The rights provided for in this paragraph shall be in addition to any other rights or any remedies to which the Beneficiary may be entitled on account of the default, and the Beneficiary shall not, by taking the required action, cure the default so as to bar it from any remedy that it otherwise would have had.

10. **Inspection of Property.** Beneficiary may make or cause to be made reasonable entries upon and inspections of the Property, provided that Beneficiary shall give Grantor reasonable advance notice prior to any such entries or inspections.

11. **Hazardous Substances.** 11.1. Except as previously disclosed to Beneficiary in writing, or as provided in paragraph 11.8, Grantor represents and warrants to Beneficiary that no hazardous substances are or will be stored, located, used or produced on the Property in violation of applicable federal, state or local laws, regulations or ordinances and Grantor has no knowledge of any property adjacent to the Subject Property being contaminated with or affected by Hazardous Substances.

11.2. Grantor will not cause nor permit any activities on the Property which could result in the release of any Hazardous Substance onto or under the Property or any other property. Grantor agrees to provide written notice to Beneficiary immediately upon Grantor becoming aware that the Property or any adjacent property is being or has been subjected to a release of any Hazardous Substance.

11.3. Beneficiary and its representatives may enter the Property upon reasonable prior notice for the purpose of conducting an environmental audit, committing only such injury to the Property as may be necessary to conduct the environmental audit. Beneficiary shall not be required to remedy any such injury or compensate Grantor therefore. Grantor shall cooperate in all respects in the performance of the audit. Grantor shall pay the costs of any environmental audit if either a default exists under this Deed of Trust at the time Beneficiary arranges to have the audit performed or the audit reveals a default pertaining to Hazardous Substances. If Grantor refuses to permit Beneficiary or its representatives to conduct an environmental audit on the Property, Beneficiary may specifically enforce performance of this provision.

11.4. Grantor will indemnify and hold Beneficiary harmless from and against any and all claims, demands, damages, clean-up and other costs, expenses, losses, liens, liabilities, penalties, fines, lawsuits and other proceedings (including attorneys' fees) arising directly or indirectly from or out of, or in any way connected with (i) the breach of any representation, warranty, covenant or agreement concerning Hazardous Substances contained herein or in any other document executed by Grantor in favor of Beneficiary; (ii) any release onto or under the Property or other property of any Hazardous Substance which occurs as a direct or indirect result of the acts or omissions of Grantor or its directors, officers, employees, agents, or independent contractors; and (iii) any release onto or under the Property of any Hazardous Substance which occurs during Grantor's ownership, possession, or control of the Property.

11.5. If Beneficiary shall at any time, through the exercise of any of its remedies under this Deed of Trust, or by taking a deed in lieu of foreclosure, hold title to or own the property in Beneficiary's own right and Beneficiary discovers that any Hazardous Substance has been stored, located, used, produced or released onto or under the Property, Beneficiary may, at its option, convey the Property to Grantor. Grantor covenants and agrees that it shall accept delivery of any instrument of conveyance and resume ownership of the Property in the event Beneficiary exercises its option hereunder to convey the Property to Grantor. Beneficiary, at Beneficiary's sole discretion, shall have the right to record any instrument conveying the Property to Grantor and such recordation shall be deemed acceptance of the instrument and conveyance by Grantor.

11.6. All of Grantor's representations, warranties, covenants and agreements contained herein regarding hazardous substances, including but not limited to Grantor's agreement to accept conveyance of the Property from Beneficiary and resume ownership, shall survive foreclosure of this Deed of Trust or acceptance by Beneficiary of a deed in lieu of foreclosure.

11.7. For purposes of this Deed of Trust, the term "Hazardous Substances" means any substance or material defined or designated as hazardous or toxic waste, hazardous or toxic material, or a hazardous, toxic or radioactive substance (or designated by any other similar term) by any applicable federal, state or local statute, regulation or ordinance, including, without limitation, petroleum and petroleum by-products or any fraction thereof, now in effect or in effect at any time during either the term of this Deed of Trust or the period of time Grantor remains in possession, custody, or control of the Property following either foreclosure of this Deed of Trust or acceptance by beneficiary of a deed in lieu of foreclosure.

12. **Condemnation.** The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of the Property, or part thereof, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid directly to beneficiary. In the event of a partial or total condemnation or taking of the Property, the proceeds shall be applied to the Indebtedness secured by this Deed of Trust, with the excess, if any, paid to Grantor. Unless otherwise agreed in writing by Beneficiary, any such application of proceeds to the Indebtedness secured by this Deed of Trust shall not extend or postpone the due date of the regular installment payments provided for by the terms of the promissory note or any other documents evidencing Indebtedness secured by this Deed of Trust.

13. **Extension of Debt; Release of Collateral.** Grantor agrees that if Beneficiary extends, renews or modifies the terms of any Indebtedness secured by this Deed of Trust or if Beneficiary releases any other security securing such Indebtedness, any and all such extensions, renewals, modifications or releases shall not operate to release, discharge or diminish the liability of the Subject Property for all Indebtedness secured by this Deed of Trust.



200710180086  
Skagit County Auditor

14. **Transfer of Property; Remedies.** In the event of a transfer of all or any part of Grantor's interest in the Property without Beneficiary's prior written consent, whether voluntary, involuntary or by operation of law, Beneficiary may, at its option, treat such transfer as a default by Grantor and may resort to the remedies provided for in this Deed of Trust.

15. **Security Agreement.** This Deed of Trust shall constitute a security agreement to the extent that any of the Property described above constitute fixtures or other personal property, and Beneficiary shall have all of the rights and remedies of a secured party under Article 9A of the Uniform Commercial Code of the State of Washington, as amended from time to time. Grantor hereby grants Beneficiary a security interest in and to all of the Property described above which constitute fixtures or other personal property. Grantor hereby authorizes and empowers Beneficiary to prepare, sign or authenticate for Grantor, file and/or record financing statements amendments and other documents and take whatever other actions are reasonably necessary to perfect and continue Beneficiary's security interest in the personal property described above. In addition to recording this Deed of Trust in the real property records, which recording shall also constitute a fixture filing, Beneficiary may, at any time and without further authorization from Grantor, file executed counterparts, copies or reproductions of this Deed of Trust as a financing statement. Upon default, Grantor shall assemble the personal property described above in a manner and at a place reasonably convenient to Grantor and Beneficiary and make it available to Beneficiary within **ten (10) days** after receipt of written demand from Beneficiary. The mailing addresses of Grantor (*Debtor*) and Beneficiary (*Secured Party*), from which information concerning the security interest granted by this Deed of Trust may be obtained (*each as required by the Uniform Commercial Code*), are stated on the first page of this Deed of Trust.

16. **Assignment of Rents.** As further security for the Indebtedness secured by this Deed of Trust, Grantor hereby irrevocably and immediately assigns to beneficiary any and all rents, revenues, issues, profits and other rights to payment derived from or attributable to the Property and Grantor's interest in all leases now or hereafter affecting the Property. Beneficiary grants Grantor a revocable license to collect and receive the rents and revenues attributable to the Property so long as there is no Event of Default under this Deed of Trust or notice by Beneficiary to collect the rents and revenues. Upon notice by Beneficiary, and, in any event, upon default, Beneficiary may directly collect all such lease, rent and other payments due Grantor. Nothing contained in this paragraph shall obligate Beneficiary to perform any of Grantor's duties or obligations under any lease or other agreements affecting the Property. This assignment is recorded in accordance with RCW 65.08.070, and the lien created by this assignment is intended to be specific, perfected and choate upon the recording of this Deed of Trust.

17. **Events of Default.** The following shall be "Events of Default" under this Deed of Trust: (a) Default in the payment or performance, when due or payable, of any Indebtedness secured by this Deed of Trust; (b) Breach by Grantor of any representation or warranty contained in this Deed of Trust; (c) Breach by Grantor of any covenant or agreement contained in this Deed of Trust regarding hazardous substances; (d) Grantor's failure to perform any other covenant or agreement contained in this Deed of Trust or any other agreement, instrument or document affected or secured by this Deed of Trust within **ten (10) days** after receipt of written notice from Beneficiary specifying the failure; (e) Grantor's failure, within the time required, to make any payment for taxes, insurance or reserves for such payments, or any other payment necessary to prevent the filing of or to discharge any lien; (f) The making by Grantor of any material misrepresentation to Beneficiary for the purpose of obtaining credit or an extension of credit; (g) The issuance of any injunction, attachment, garnishment or levy against the Subject Property; (h) The insolvency of Grantor, an admission by Grantor in writing of its inability to pay its debts as they mature or the institution by or against Grantor of any bankruptcy, insolvency, reorganization, debt arrangement, liquidation, dissolution or receivership proceeding; (i) Default in any obligation secured by a lien which has or may have priority over this Deed of Trust, or the commencement of any action to foreclose any prior lien; (j) The happening of any event which, in the judgment of Beneficiary, has a material adverse effect upon the business or the financial condition of Grantor or which, in Beneficiary's opinion, impairs the Subject Property or materially increases Beneficiary's risk.

18. **Rights and Remedies Upon Default.**

18.1. Upon the occurrence of any event of default and at any time thereafter, the Beneficiary may exercise any one or more of the following rights and remedies:

18.1.1. The right at its option to declare the entire Indebtedness secured by this Deed of Trust immediately due and payable.

18.1.2. The right to foreclose by judicial foreclosure in accordance with applicable law.

18.1.3. The right to have the Trustee sell the Property in accordance with the Deed of Trust Act of the State of Washington and the Uniform Commercial Code of the State of Washington, where applicable, at public auction to the highest bidder. Any person except Trustee may bid at the Trustee's sale. The power of sale conferred by this Deed of Trust and the law is not an exclusive remedy and when not exercised, Beneficiary may foreclose this Deed of Trust as a mortgage. The Trustee is not obligated to notify any party hereto pending sale under any other deed of trust or any action or proceeding in which Grantor, Trustee, or Beneficiary shall be a party, unless such action or proceeding is brought by the Trustee.

18.1.4. With respect to all or any part of the property that constitutes personalty, the rights and remedies of a secured party under the Uniform Commercial Code.

18.1.5. The right, without notice to Grantor, to take possession of the Property and collect all rents and profits, including those past due and unpaid, and apply the net proceeds, over and above the Beneficiary's costs, against the Indebtedness. In furtherance of this right the Beneficiary may require any tenant or other user to make payments of rent or use fees directly to the Beneficiary, and payments by such tenant or user to the Beneficiary in response to its demand shall satisfy the obligation for which the payments are made, whether or not any proper grounds for the demand existed.



200710180086  
Skagit County Auditor

18.1.6. The right in connection with any legal proceedings to have a receiver appointed to take possession of any or all of the Property, with the power to protect and preserve the property and to operate the Property preceding foreclosure or sale and apply the proceeds, over and above cost of the receivership, against the Indebtedness. The receiver may serve without bond if permitted by law. The Beneficiary's right to the appointment of a receiver shall exist whether or not apparent value of the Property exceeds the Indebtedness by a substantial amount.

18.1.7. Subject to any limitations imposed by law, the right to obtain a deficiency judgment in the event the net sale proceeds of any foreclosure sale are insufficient to pay the entire unpaid Indebtedness.

18.1.8. Any other right or remedy provided in this Deed of Trust, the promissory note evidencing the Indebtedness, any construction loan agreement, or under the law.

18.2. In exercising its rights and remedies, the Beneficiary and Trustee shall be free to sell all or any part of the Property together or separately or to sell certain portions of the Property and refrain from selling other portions. The Beneficiary shall be entitled to bid at any public sale on all or any portion of the Property.

18.3. The Beneficiary shall give Grantor reasonable notice of the time and place of any public sale of any personal property not included in any foreclosure or of the time after which any private sale or other disposition of any personal property not included in any foreclosure is to be made. Reasonable notice shall mean notice sent at least **ten (10) days** before the time of sale or disposition to Grantor's last known address.

18.4. A waiver by either party of a breach of a provision of this agreement shall not constitute a waiver of or prejudice the party's right otherwise to demand strict compliance with that provision or any other provision. Election by the Beneficiary to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or take action to perform an obligation of Grantor under this Deed of Trust after failure of Grantor to perform shall not affect the Beneficiary's right to declare a default and exercise its remedies under this paragraph 19.

18.5. All reasonable expenses incurred by the Beneficiary that are necessary at any time in the Beneficiary's opinion for the protection of its interest or the enforcement of its rights, including without limitation, the cost of searching records, obtaining title reports, surveyors' reports, attorneys' opinions or title insurance, whether or not any court action is involved, shall become a part of the Indebtedness payable on demand and shall bear interest at the same rate as provided in the note from the date of expenditure until paid.

**19. Cumulative Remedies.** All rights and remedies of Beneficiary provided for in this Deed of Trust are intended to be cumulative and not in substitution for any other right or remedy otherwise available to Beneficiary.

**20. Waiver of Marshaling.** Grantor hereby expressly waives any right to require Beneficiary to marshal or to foreclose in the inverse order of alienation, any of the above described Property or any other collateral securing Grantor's Indebtedness to Beneficiary.

**21. Modification.** This Deed of Trust shall not be qualified or supplemented by course of dealing. No waiver or modification by Beneficiary of any of the terms of this Deed of Trust shall be effective unless the waiver or modification is in writing and signed by Beneficiary. No waiver or modification by Beneficiary of any required performance or obligation of Grantor on any occasion shall be construed as a waiver of Beneficiary's right to require strict performance of all the terms of this Deed of Trust on any future occasion.

**22. Reconveyance.** Upon payment of all Indebtedness secured by this Deed of Trust, Beneficiary shall request Trustee to reconvey the Property and shall surrender this Deed of Trust and all instruments evidencing the Indebtedness secured by this Deed of Trust to the Trustee. Trustee shall reconvey the Property without warranty to the person legally entitled thereto. Such person shall pay all costs of reconveyance.

**23. Notices.** Any notice to Grantor provided for in this Deed of Trust shall be given by personal service or by mailing such notice by certified mail addressed to Grantor at the Property address or at such other address as Grantor may designate by written notice to Beneficiary. Any notice to Beneficiary shall be given by personal service or by certified mail to Beneficiary's address stated herein. Except as otherwise provided by law, all notices given under this Deed of Trust shall be effective immediately upon personal service thereof or on the **third (3<sup>rd</sup>) day** after depositing such notice in the mail by certified mail, postage paid.

**24. Attorney Fees.** Grantor agrees to pay to Beneficiary any and all costs and expenses, including reasonable attorneys' fees, incurred or paid by Beneficiary in protecting or enforcing its rights under the terms of this Deed of Trust whether or not a lawsuit is commenced. Reasonable attorneys' fees and costs shall include services rendered at both the trial and appellate level, as well as services rendered subsequent to judgment and obtaining execution thereon. Reasonable attorney fees and costs shall also include, without limitation, attorney fees and costs incurred in connection with any insolvency proceeding, reorganization proceeding or other bankruptcy case commenced by or against Grantor, including all fees incurred in connection with (i) requesting relief from the automatic stay, (ii) converting or dismissing the case or proceeding, (iii) appointing a trustee or examiner, or (iv) proposing, contesting or opposing confirmation of a plan of reorganization or liquidation, in all such cases without regard to identity of the prevailing party. The award of such fees, costs and expenses shall bear interest at the highest rate allowed by law until paid in full.

**25. Inurement.** The covenants and agreements contained in this Deed of Trust shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Beneficiary and Grantor. All covenants and agreements of Grantor shall be joint and several.

**26. Applicable Law.** This Deed of Trust shall be governed by and enforced under the internal laws of the State of Washington without regard to conflict laws rules.



27. **Jury Trial Waiver.** GRANTOR AND BENEFICIARY HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS DEED OF TRUST OR ANY RELATED LOAN DOCUMENTS OR ANY OF THE TRANSACTIONS CONTEMPLATED THEREIN, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS. GRANTOR AND BENEFICIARY REPRESENT THAT EACH HAS REVIEWED THIS WAIVER AND EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. IN THE EVENT OF LITIGATION, A COPY OF THIS AGREEMENT MAY BE FILED AS A WRITTEN WAIVER TO A TRIAL BY THE COURT.

28. **Statute of Frauds Disclosure.** Oral agreements or oral commitments to loan money, extend credit, or to forbear from enforcing repayment of a debt are not enforceable under Washington law.

Woodrow Jackson  
Woodrow Jackson

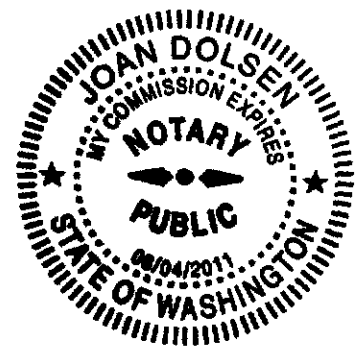
Rosemary Jackson  
Rosemary Jackson

STATE OF WASHINGTON )  
County of KING ) ss.

I certify that I know or have satisfactory evidence that Woodrow Jackson and Rosemary Jackson, is/are the person(s) who appeared before me, signed this instrument and acknowledged it to be his/her/their free and voluntary act for the uses and purposes mentioned in the instrument.

DATED: MO 9/19/07

JOAN DOLSEN  
Print Name:  
Notary Public in and for the State of Washington,  
residing in KING  
My Commission Expires: 8/14/2011



200710180086  
Skagit County Auditor

DESCRIPTION:

Lots 13, 14, 52, 53 And 54, Block 3, "HOLIDAY HIDEAWAY NO. 1," as per plat recorded in Volume 8 of Plats, pages 36 through 42, inclusive, records of Skagit County, Washington.

Situate in the County of Skagit, State of Washington.

(See Note #1)



200710180086  
Skagit County Auditor