



200810030082

Skagit County Auditor

10/3/2008 Page

1 of

5 11:45AM

When recorded return to:

SAUK, LLC
1016 S. THIRD
MOUNT VERNON, WA 98273

CHICAGO TITLE CO.

1C46417

DEED OF TRUST*(For use in the State of Washington only)***ACCOMMODATION RECORDING**

THIS DEED OF TRUST, made this 1st day of October, 2008
between **HANSEN & HANSEN CONSTRUCTION, INC., A WASHINGTON CORPORATION**
as GRANTOR(S), whose address is **10131 MORAN ROAD, ARLINGTON, WASHINGTON 98223**
and **CHICAGO TITLE COMPANY - ISLAND DIVISION** as TRUSTEE, whose address is **P. O. BOX 638,**
425 COMMERCIAL STREET, MOUNT VERNON, WASHINGTON 98273 and **SAUK, LLC, A**
WASHINGTON LIMITED LIABILITY COMPANY as BENEFICIARY, whose address is **1016 S. THIRD,**
MOUNT VERNON, WASHINGTON 98273

WITNESSETH: Grantor(s) hereby bargain(s), sell(s), and convey(s) to Trustee in trust, with power of sale, the
following described real property in **SKAGIT** County, Washington:

Chicago Title Company has placed
this document for recording as a
customer courtesy and accepts no
liability for its accuracy or validity

SEE EXHIBIT "A" ATTACHED HERETO

Abbreviated Legal: (Required if full legal not inserted above.) **PTN 32-33-10 AKA TRACT 5 AND TRACT 7,**
SURVEY OF TRAIL CREEK

Tax Parcel Number(s): **331032-0-007-0905 AND 331032-0-007-1101**

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(s) contained in this
Deed of Trust, and payment of the sum of **ONE HUNDRED FIFTY THOUSAND AND NO/100**
Dollars (\$ **150,000.00**) with interest, in accordance with the terms of a promissory note of even date herewith,
payable to Beneficiary or order, and made by Grantor(s), and all renewals, modifications, and extensions thereof,
and also such further sums as may be advanced or loaned by Beneficiary to Grantor(s), or any of Grantor(s)'
successors or assigns, together with interest thereon at such rate as shall be agreed upon.

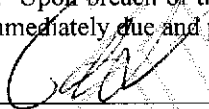
DUE DATE: The entire balance of the promissory note secured by this Deed of Trust, together with any and all
interest accrued thereon, shall be due and payable in full on October 3, 2009.


To protect the security of this Deed of Trust, Grantor(s) covenant(s) and agree(s):

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(s). 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(s) 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(s) 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.
7. DUE ON SALE: (OPTIONAL -- *Not applicable unless initialed by Grantor and Beneficiary.*) The property described in this security instrument may not be sold or transferred without the Beneficiary's consent. Upon breach of this provision, Beneficiary may declare all sums due under the note and Deed of Trust immediately due and payable, unless prohibited by applicable law.


Grantor initials


Beneficiary initials

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 by this Deed of Trust shall be paid to Beneficiary to be applied to said obligation.
2. By accepting payment of any sum secured by this Deed of Trust 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(s) 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(s) in the payment of any indebtedness secured by this Deed of Trust or in the performance of any agreement contained in this Deed of Trust, all sums secured hereby shall immediately become due and payable at the option of the Beneficiary subject to any cure period provided in the note secured by this Deed of Trust. 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; 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 all right, title and interest in the real and personal property which Grantor(s) had or had the power to convey at the time of the execution of this Deed of Trust, and such as Grantor(s) 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, or at the discretion of the Beneficiary, 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 an action or proceeding in which Grantor(s), 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 his/her/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.



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9. ADDITIONAL TERMS AND CONDITIONS: (check one)

a. () None

b. ☒ As set forth on the attached Exhibit B which is incorporated by this reference.

(Note: If neither "a" nor "b" is checked, then option "a" applies.)

HANSEN & HANSEN CONSTRUCTION, INC

[Signature]

READ-ACKNOWLEDGED AND ACCEPTED
AS TO FORM AND CONTENT

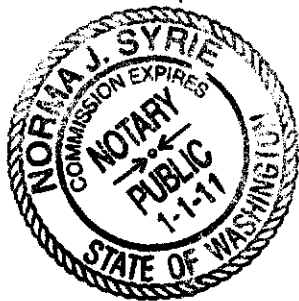
[Signature]

STATE OF Washington
COUNTY OF Snohomish ss.

I certify that I know or have satisfactory evidence that Ronald A Hansen

(is/are) the person(s) who appeared before me, and said person(s) acknowledged that he signed
this instrument, on oath stated that he was authorized to execute the instrument and acknowledge it
as the President of
Hansen and Hansen Construction, Inc. to be
the free and voluntary act of such party(ies) for the uses and purposes mentioned in this instrument.

Dated: October 2, 2003



Norma J Syrie
Notary name printed or typed: Norma J Syrie
Notary Public in and for the State of Washington
Residing at Arlington
My appointment expires: 1-1-11

REQUEST FOR FULL RECONVEYANCE - Do not record. To be used only when note has been paid.

TO: TRUSTEE

The undersigned is the legal owner and holder of the note and all other indebtedness secured by the within Deed of Trust. Said note, together with all other indebtedness secured by said Deed of Trust, has been fully paid and satisfied; and you are hereby requested and directed, on payment to you of any sums owing to you under the terms of said Deed of Trust, to cancel said note above mentioned, and all other evidences of indebtedness secured by said Deed of Trust delivered to you herewith, together with the said Deed of Trust, and to reconvey, without warranty, to the parties designated by the terms of said Deed of Trust, all the estate now held by you thereunder.

Dated: _____



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EXHIBIT "A"

PARCEL A:

Beginning at the West Quarter corner of Section 32, Township 33 North, Range 10 East of the Willamette Meridian;

Thence along the West line of said Section 32, North 01°21'02" East, 32.67 feet;

Thence South 89°11'09" East, 30.00 feet to a point on the East line of the existing county road and the true point of beginning;

Thence along said East line North 01°21'02" East, 200.00 feet;

Thence South 89°11'09" East to the Sauk River;

Thence Southwesterly along said Sauk River and along the Southeasterly line of Government Lot 4 to a point whence the true point of beginning bears North 89°11'09" West;

Thence North 89°11'09" West to the true point of beginning.

The above described parcel lies wholly within the Southwesterly Quarter of the Northwest Quarter and Government Lot 4, Section 32, Township 33 North, Range 10 East of the Willamette Meridian.

(Also known as Tract 5, TRAIL CREEK, according to the plat thereof, recorded in Volume 92 of Plats, pages 576 through 589, inclusive, records of Skagit County, Washington).

Situated in Skagit County, Washington

PARCEL B:

Beginning at the West Quarter corner of Section 32, Township 33 North, Range 10 East of the Willamette Meridian;

Thence along the West line of said Section 32, South 01°21'02" West 177.33 feet;

Thence South 89°11'09" East, 30.00 feet to a point on the East line of the existing county road and the true point of beginning;

Thence along said East line South 01°21'02" West, 219.74 feet;

Thence leaving said East line South 89°11'09" East to the Sauk River;

Thence along the Sauk River and along the Southeasterly line of Government Lot 7 in a Northeasterly direction to a point whence the true point of beginning bears North 89°11'09" West;

Thence North 89°11'09" West to the true point of beginning.

The above described parcel lies wholly within Government Lot 7, Section 32, Township 33 North, Range 10 East of the Willamette Meridian.

(Also known as Tract 7, TRAIL CREEK, according to the plat thereof, recorded in Volume 92 of Plats, pages 576 through 589, inclusive, records of Skagit County, Washington).

Situated in Skagit County, Washington



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EXHIBIT "B"

ASSIGNMENT OF RENTS; APPOINTMENT OF RECEIVER; LENDER IN POSSESSION. Borrower absolutely and unconditionally assigns and transfers to Lender all the rents and revenues ("Rents") of the Property, regardless of to whom the Rents of the Property are payable. Borrower authorizes Lender or Lender's agents to collect the Rents, and agrees that each tenant of the Property shall pay the Rents to Lender or Lender's agents. However, Borrower shall receive the Rents until (i) Lender has given Borrower notice of default pursuant to Section 22 of the Security Instrument and (ii) Lender has given notice to the tenant(s) that the Rents are to be paid to Lender or Lender's agent. This assignment of Rents constitutes an absolute assignment and not an assignment for additional security only.

If Lender gives notice of default to Borrower: (i) all Rents received by Borrower shall be held by Borrower as trustee for the benefit of Lender only, to be applied to the sums secured by the Security Instrument; (ii) Lender shall be entitled to collect and receive all of the Rents of the Property; (iii) Borrower agrees that each tenant of the Property shall pay all Rents due and unpaid to Lender or Lender's agents upon Lender's written demand to the tenant; (iv) unless applicable law provides otherwise, all Rents collected by Lender or Lender's agents shall be applied first to the costs of taking control of and managing the Property and collecting the Rents, including, but not limited to, attorney's fees, receiver's fees, premiums on receiver's bonds, repair and maintenance costs, insurance premiums, taxes, assessments and other charges on the Property, and then to the sums secured by the Security Instrument; (v) Lender, Lender's agents or any judicially appointed receiver shall be liable to account for only those Rents actually received; and (vi) Lender shall be entitled to have a receiver appointed to take possession of and manage the Property and collect the Rents and profits derived from the Property without any showing as to the inadequacy of the Property as security.

If the Rents of the Property are not sufficient to cover the costs of taking control of and managing the Property and of collecting the Rents any funds expended by Lender for such purposes shall become indebtedness of Borrower to Lender secured by the Security Instrument pursuant to Section 9.

Borrower represents and warrants that Borrower has not executed any prior assignment of the Rents and has not performed, and will not perform, any act that would prevent Lender from exercising its rights under this paragraph.

Lender, or Lender's agents or a judicially appointed receiver, shall not be required to enter upon, take control of or maintain the Property before or after giving notice of default to Borrower. However, Lender, or Lender's agents or a judicially appointed receiver, may do so at any time when a default occurs. Any application of Rents shall not cure or waive any default or invalidate any other right or remedy of Lender. This assignment of Rents of the Property shall terminate when all the sums secured by the Security Instrument are paid in full.

READ-ACKNOWLEDGED AND ACCEPTED
AS TO FORM AND CONTENT

mk. [Signature]



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