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Skagit County Auditor

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GUARDIAN NORTHWEST TITLE CO.
COMMUNICATION RECORDING ONLY

DEED OF TRUST

(For Use in the State of Washington Only)

THIS DEED OF TRUST, made this 12th day of ^{February}~~January~~, 2009, between GRANTOR, NORTH COUNTIES, LLC, whose address is 1285 Goldenrod Road, Burlington, Washington, 98233, RAINIER TITLE COMPANY, a Washington Corporation, TRUSTEE, whose address is P.O. BOX 1706, Tacoma, Washington, 98401, and BENEFICIARIES, WILLIAM and CHERYL SUNDBY, husband and wife, and ROBERT and TARA HOLLIS, whose address is 2002 5th Street Se, Puyallup, Washington, 98372;

WITNESSETH: Grantors hereby bargains, sells and conveys to Trustee in Trust, with power of sale, the following described real property in Pierce County, Washington:

Section 6, Township 34, Range 4; Ptn. SE NE, under Auditor's File No. 200712060004, records of Skagit County, Washington.

TAX PARCEL NUMBER: P23814, 340406-1-016-0000

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 is for the purpose of securing performance of each agreement of Grantor herein contained, and not to exceed the sum of FOUR HUNDRED THOUSAND DOLLARS 00/100 (\$400,000.00) 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 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 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.

7. Neither Grantor nor any tenant, contractor, agent, or other authorized user of the Property shall use, generate, manufacture, store, treat, dispose of, or release any hazardous waste or substance on, under or about the Property unless such activity shall be conducted in compliance with all applicable federal, state, and local laws, regulations and ordinances. Grantor agrees to indemnify and hold harmless Beneficiary against any and all claims, losses, liabilities, damages, penalties, and expenses which Beneficiary may directly or indirectly sustain or suffer resulting from a breach of this section of the Deed of Trust or as a consequence of any use, generation, manufacture, storage, disposal, release or threatened release occurring prior to Grantor's ownership or interest in the Property, whether or not the same was or should have been known to Grantor. The provisions of this section of the Deed of Trust, including the obligation to indemnify, shall survive the payment of the indebtedness and the satisfaction and reconveyance of the lien of this Deed of Trust and shall not be affected by Lender's acquisition of any interest in the Property, whether by foreclosure or otherwise.

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 amounts 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 payments 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 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 this sale, including a reasonable Trustee's fee and Attorney's fee; (2) to the obligation secured by this



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.

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 or proceeding is brought by the Trustee.

DAVID A. ORTH
NORTH COUNTIES, LLC

GIVEN UNDER MY HAND AND SEAL this 12th day of February, 2009.



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Legal Description

The land referred to in this report/policy is situated in the State of Washington, County of Skagit, and is described as follows:

The West 100 feet of the South $\frac{1}{2}$ of the North $\frac{1}{2}$ of the Southeast $\frac{1}{4}$ of the Northeast $\frac{1}{4}$ and the East 8 feet of the South $\frac{1}{2}$ of the North $\frac{1}{2}$ of the Southwest $\frac{1}{4}$ of the Northeast $\frac{1}{4}$ of Section 6, Township 34 North, Range 4 East, W.M., EXCEPT road along the South line thereof, AND EXCEPT that portion condemned by the State of Washington by Judgment and Decree of Appropriation entered February 5, 1973, in Skagit County Superior Court Cause No. 33010.



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