

Return To: PETER A. GILBERT
314 Pine St., Matheson Bldg.
Mount Vernon, Washington 92873



6/29/2009 Page 1 of 2 11:22AM

SECOND DEED OF TRUST

THIS SECOND DEED OF TRUST, made this 25th day of June, 2009, between TOM SWARTZ, GRANTOR, whose address is 30626 S. Skagit Hwy.; Sedro Woolley, WA 98284; LAND TITLE CO., a corporation, TRUSTEE, whose address is P.O. Box 445, Burlington, WA 98233; and JACK AND MARY SWARTZ, husband and wife.

WITNESSETH: Grantor hereby bargains, sells and conveys to Trustee in Trust, with power of sale, the following described real property in Skagit County, Washington, as a Second Deed of Trust, subordinate only to the First Deed of Trust described in that certain document recorded under Auditor File #200507010146:

PARCEL A:

The East half of the Northeast Quarter of the Northwest Quarter of Section 31, Township 35 North, Range 6 East of the Willamette Meridian.

Situated in Skagit County, Washington.

PARCEL B:

The West half of the Northwest Quarter of the Northeast Quarter of Section 31, Township 35 North, Range 6 East of the Willamette Meridian.

Situated in Skagit County

P42122 and P42120

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 payment of the sum of ONE HUNDRED NINETEEN THOUSAND TWO HUNDRED FIFTY AND 00/100 Dollars (\$119,250.00) 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:

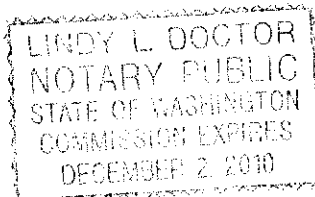
1. To keep the property in good condition and repair; to permit no waste thereof; to complete any building, structure or improvement being built or about to be built thereon; to restore promptly any building, structure or improvement thereon which may be damaged or destroyed; and to comply with all laws, 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.

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.

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.

ELIZABETH A. SWARTZ

Notary Public in and for the State of
Washington, residing at Berw
My Commission Expires: 12/2/10



Do not record. To be used only when note has been paid

Dated _____, 20__



200906290120
Skagit County Auditor