WHEN RECORDED RETURN TO:

Morrow Construction UC 2210 Riverside Dr. # 200 Mount Vernon, WA 98273 200909290043 Skagit County Auditor

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DEED OF TRUST

(For Use in the State of Washington Only)

THIS DEED OF TRUST, made this 19th day of January, 2009, between and among the following:

GRANTOR: Jonathan Rothschild, an individual, GRANTOR, whose address is 1800 S Bakerview Court, Mount Vernon, WA 98274; and

TRUSTEE: <u>LINVILLE LAW FIRM</u>, <u>PLLC</u>, a professional limited liability company, <u>TRUSTEE</u>, whose address is 800 5th Avenue, Suite 3850, Seattle, WA 98104; and for the benefit of

GRANTEE/BENEFICIARY: Morrow Construction LLC., a Washington corporation, whose address is 2210 Riverside Drive, Ste 200, Mount Vernon, WA 98273.

GRANTOR hereby irrevocably grants, transfers, conveys and assigns to TRUSTEE, in trust with all power of sale all of GRANTOR'S present and future estate, right, title, claim and interest, either in law or in equity, in and to the Property as herein described, located in Whatcom County, Washington, the legal description of the real property which is as follows:

Address:

1800 S Bakerview Court, Mount Vernon, WA 98274:

Legal Description SEE ATTACH EXHIBIT "A" Lt 172 Eaglemont ph 1B etal
Tax Account Number: P124081

TO SECURE THE FOLLOWING:

This deed is for the purpose of securing performance of each agreement of grantor herein contained, and payment of the principal sum of **Ten Thousand Dollars and 00/100 Dollars (\$10,000.00)** in accordance with the terms of the Promissory Note of even date herewith, payable to the 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.
- 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. 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 against 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.

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 it due date, Beneficiary does not waive its right to require prompt payment when due of all other sums so secure or to declare default for failure to pay.
- 3. The Trustee shall reconvey all or any party 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 even 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 sales 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

- 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.
- 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 of 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 their heirs, devisees, legatees, administrators, executors and assigns. The term Beneficiary shall mean the holder and owner the note secured hereby, whether or not named as Beneficiary herein.

Jonathan Rothschild, Grantor

STATE OF WASHINGTON

) ss.

COUNTY OF Skagit

Thrully, 2008, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Jonathan Rothschild, to me known to be the individual that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said limited liability company, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute the said instrument.

Witness my hand and official seal hereto affixed the day and year first above written.

TAMMY M. COE **NOTARY PUBLIC** STATE OF WASHINGTON COMMISSION EXPIRES JUNE 14, 2009

Printhame: Twinting Milit NOTARY PUBLIC in and for the state of Washington residing at: Stauloud

My appointment expires: 6-14-2007

Holder

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By:			
Its: //			4 .
STATE OF WASHINGTON)		
) ss.		
COUNTY OF WHATCOM)		
On this day of	, 2008	3, before me, the undersigne	d, a Notary Public in and
for the State of Washington, duly	commissioned and sv	orn, personally appeared	
executed the foregoing instrument deed of said limited liability comp was authorized to execute the said Witness my hand and off	any, for the uses and p I instrument.		and on oath stated that he
¹ ************************************	and the second		
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	Print name:	DITC: 15 d	
		BLIC in and for the state o	
		esiding at:	
	My appointme	ent expires:	<u></u>

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 said Deed of Trust, and to reconvey, without warranty, to the parties designated by the terms of said Deed of Trust, all the estate not held by you thereunder.

DATED th	nisday.of	, 2008.
	The second secon	
By:		
Name:		
Date:		

"Exhibit A"

Lot 172, "PLAT OF EAGLEMONT PHASE 1B, DIVISION NOS. 5 AND 6", according to the plat thereof recorded January 10, 2006, under Auditor's File No. 200601100170, Skagit County, Washington.



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