



201112010123

Skagit County Auditor

12/1/2011 Page

1 of

8 3:53PM

When Recorded Return To:

Brett & Daugert, PLLC
P.O. Box 5008
Bellingham, WA 98227-5008

DOCUMENT TITLE: **SECOND DEED OF TRUST**

REFERENCE NUMBER OF RELATED DOCUMENT: **201012290009**

GRANTOR(S): **STEVE L. BROMAN AND KATHLEEN L. BROMAN, HUSBAND AND WIFE; JOHN PICKETT, AS HIS SEPARATE ESTATE**

ADDITIONAL GRANTORS ON PAGE ____ OF DOCUMENT: **N/A**

GRANTEE(S): **DONNA L. MACDONALD, AN UNMARRIED WOMAN**

ADDITIONAL GRANTEES ON PAGE ____ OF DOCUMENT: **N/A**

ABBREVIATED LEGAL DESCRIPTION: **LOTS 1-4, BLK 2, "PLAT OF THE SOUTHERN ADDITION TO MT. VERNON", SKAGIT COUNTY, WA**

ADDITIONAL LEGAL DESCRIPTION ON EXHIBIT "A" OF DOCUMENT.

ASSESSOR'S TAX/PARCEL NUMBER(S): **P54298**

SECOND DEED OF TRUST

THIS DEED OF TRUST, made this 11TH day of November, 2011, between Steve L. Broman and Kathleen L. Broman, husband and wife, and John Pickett, as his separate estate, Grantors, whose address is 504 S. 7th Street, Mt. Vernon, Washington 98274; CHICAGO TITLE INSURANCE COMPANY, a corporation, Trustee, whose address is 1616 Cornwall Avenue, Bellingham, Washington 98225 and Donna L. MacDonald, an unmarried woman, Beneficiary, whose address is 424-14th Street, #404, Bellingham, Washington 98225.

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

[SEE ATTACHED EXHIBIT "A", LEGAL DESCRIPTION]

TOGETHER with all 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 purposes of securing performance of each agreement of grantor herein contained, and payment of the sum of Fifty Thousand Dollars (\$50,000.00) 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, replacements, 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 real property and personal property taxes and assessments and park maintenance fees due 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. Grantor shall provide proof of insurance to Beneficiary semi-annually, and shall 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.

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 thereof 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 payment when due of all other sums so secured or to declare default for failure to so pay.

3. The Trustees 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 sale, including a reasonable Trustee'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 purchasers 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. 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 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, successors and assigns. The term Beneficiary shall mean the holder and owner of the note secured hereby, whether or not named as Beneficiary herein.

9. Neither the property, which is the subject of the Deed of Trust, nor any portion thereof, may be divided or conveyed, transferred, assigned or sold without the maker having paid the note holder in full under the promissory note secured by this Deed of Trust.

10. Prior Indebtedness.

10.1 Prior Lien. The lien securing the Indebtedness secured by this Deed of Trust is and remains secondary and inferior to the lien, securing payment



of a prior obligation in the form of a (Check which Applies) _____ Trust Deed, _____ Mortgage _____ Land Sale Contract X Other (Specify) Note and Deed of Trust. The prior obligation has a current principal balance of approximately \$250,000.00 and is in the original principal amount NOT TO EXCEED \$250,000.00. Grantor expressly covenants and agrees to pay or see to the payment of the prior indebtedness and to prevent any default thereunder.

10.2 Default. If the payment of any installment of principal or any interest on the prior indebtedness is not made within the time required by the note evidencing such indebtedness, or should an event of default occur under the instrument securing such indebtedness and not be cured during any applicable grace period therein, then the indebtedness secured by this Deed of Trust shall, at the option of Lender, become immediately due and payable, and this Deed of Trust shall be in default.

10.3 No Modifications. Grantor shall not enter into any agreement with the holder of any mortgage, deed of trust or other security agreement which has priority over this Deed of Trust by which that agreement is modified, amended, extended, or renewed without the prior written consent of Lender. Grantor shall neither request nor accept any future advances under a prior mortgage, deed of trust or any other security agreement without the proper written consent of Lender

IN WITNESS WHEREOF, I have hereunto set my hand the day and year first above written.

Steve L. Broman
STEVE L. BROMAN

Kathleen L. Broman
KATHLEEN L. BROMAN

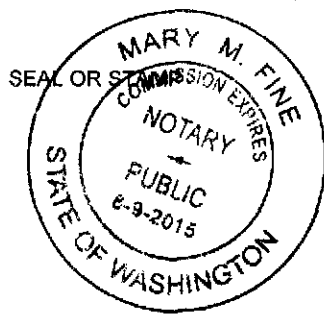
John Pickett
JOHN PICKETT



STATE OF WASHINGTON)
)SS.
COUNTY OF Skagit)

I certify that I know or have satisfactory evidence that STEVE L. BROMAN is the person who appeared before me, and said person acknowledged that he signed this instrument, and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in the instrument.

Dated: 11-10-11



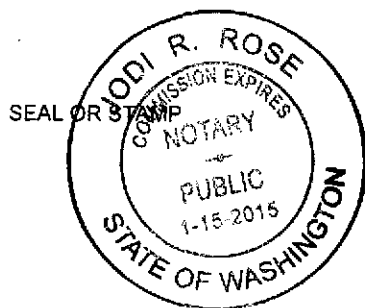
Signature Mary Fine
[PRINT NAME] NOTARY PUBLIC

My appointment expires 8-9-15

STATE OF WASHINGTON)
)SS.
COUNTY OF Skagit)

I certify that I know or have satisfactory evidence that KATHLEEN L. BROMAN is the person who appeared before me, and said person acknowledged that she signed this instrument, and acknowledged it to be her free and voluntary act for the uses and purposes mentioned in the instrument.

Dated: 11-12-11



Signature Joa R. Rose
[PRINT NAME] NOTARY PUBLIC

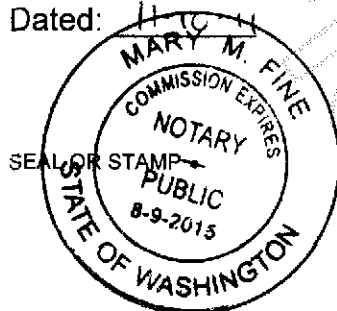
My appointment expires 1-15-2015



STATE OF WASHINGTON)
)SS.
COUNTY OF Skagit)

I certify that I know or have satisfactory evidence that JOHN PICKETT is the person who appeared before me, and said person acknowledged that he signed this instrument, and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in the instrument.

Dated: 11-10-11



Mary M. Fine
Signature

Mary M. Fine
[PRINT NAME] NOTARY PUBLIC

My appointment expires 8-9-15

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 evidence of indebtedness secured by said Deed of Trust delivered to you herewith, together with the said Deed of Trust, and to convey, without warranty, to the parties designated by the terms of said Deed of Trust, all the estate now held by you thereunder.

Dated _____, _____.

Mail reconveyance to: _____

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Skagit County Auditor

EXHIBIT "A"

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:

Lots 1 through 4, inclusive, Block 2, "PLAT OF THE SOUTHERN ADDITION TO MT. VERNON", as per plat recorded in Volume 2 of Plats, page 110, records of Skagit County, Washington.

EXCEPT the South 6.68 feet of Lot 4 thereof.



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