

When Recorded, Return to:

RICHARD E. GIFFORD PLLC
Attention: Richard E. Gifford
600 Main Street, Suite E
Edmonds, Washington 98020



200012280172
Skagit County Auditor
12/28/2000 Page 1 of 5 3:59:40PM

DEED OF TRUST

Grantor:	1) <u>Gifford, Richard E.</u>	2) <u>Gifford, Susan D.</u>
	<input type="checkbox"/> Additional on page _____	
Grantee:	1) <u>Gifford, Bernice H.</u>	2) _____
	<input type="checkbox"/> Additional on page _____	
Legal Description (abbreviated):	<u>Lot 20, Block 5, and Lot 20, Block 6, Lake Cavanaugh Subdiv. No. 1</u>	
	<input checked="" type="checkbox"/> Additional on : <u>Page 2</u>	
Assessor's Tax Parcel Nos:	<u>3937-005-020-0007 R66443</u> <u>3937-006-020-0005 R66466</u>	
Reference Nos. of Documents Released or Assigned:	<u>None</u>	

THIS DEED OF TRUST is made this 16th day of November, 2000, by and among RICHARD E. GIFFORD and SUSAN D. GIFFORD, husband and wife, as Grantor, whose address is 9309 – 192nd Place SW, Edmonds, Wasington 98020; FIRST AMERICAN TITLE COMPANY OF SKAGIT COUNTY, as Trustee, whose address is 1301-B Riverside Drive, Mount Vernon, Washington 98273; and BERNICE H. GIFFORD, as Beneficiary, whose address is 1104 Alton Drive, Champaign, Illinois 61821:

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

[full legal description appears on following page 2]

Parcel "A"

Lot 20, Block 5, "LAKE CAVANAUGH SUBDIVISION, DIVISION NO. 1", as per plat recorded in Volume 5 of Plats, pages 37 to 43, inclusive, records of Skagit County, Washington.

Parcel "B"

Lot 20, Block 6, "LAKE CAVANAUGH SUBDIVISION, DIVISION NO. 1", as per plat recorded in Volume 5 of Plats, pages 37 to 43, inclusive, records of Skagit County, Washington.

which real property is not used principally for agricultural or farming purposes, 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 of Trust is for the purpose of securing performance of each agreement of Grantor herein contained, and payment of the sum of Fifteen Thousand and No/100ths Dollars (\$15,000.00), 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.

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 November 1, 2004.

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



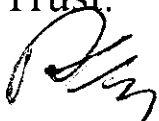
hereby secured in such order as the Beneficiary shall determine. Such application by the Beneficiary shall not cause discontinuance of any proceedings to foreclose this Deed of Trust. In the event of foreclosure, all rights of the Grantor in insurance policies then in force shall pass to the purchaser 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 attorneys' 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 attorneys' 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 by this Deed of Trust.

7. **DUE ON SALE.** If all or any part of the property secured by this Deed of Trust or any interest in it is sold or transferred (or if a beneficial interest in Grantor is sold or transferred if Grantor is not a natural person) without Beneficiary's prior written consent, Beneficiary may, at its option, require immediate payment in full of all sums secured by this Deed of Trust.



Grantor (initials)



Grantor (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 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 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 sale, including a reasonable Trustee's fee and attorneys' 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. 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 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.

EXECUTED as of the day and year first above written.

GRANTOR:

Richard E. Gifford
Richard E. Gifford

Susan D. Gifford
Susan D. Gifford

STATE OF WASHINGTON }
COUNTY OF SNOHOMISH } ss.

On this day personally appeared before me RICHARD E. GIFFORD and SUSAN D. GIFFORD, husband and wife, to me known to be the individuals described in and who executed the within and foregoing instrument, and acknowledged that they signed the same as their free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this 27th day of December, 2000.



Alison Coacher
Printed Name ALISON Coacher
NOTARY PUBLIC in and for the State of Washington,
residing at LYNNWOOD, WA
My Commission Expires 8-28-02

