

AFTER RECORDING MAIL TO:  
Law Office of Paul W. Taylor Inc. P. S.  
20388 Eric Street  
Mount Vernon, WA 9827(360)416-6900



200204230222  
Skagit County Auditor

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FIRST AMERICAN TITLE CO.

AP8800

## SECOND DEED OF TRUST

THIS SECOND DEED OF TRUST, made this 6<sup>th</sup> day of April, 2002, between Calendar Construction, Inc., a Washington corporation, **GRANTOR**, whose address is 5432 Chuckanut Drive, and First American Title Company of Skagit County, a Washington corporation as **TRUSTEE**, whose address is 1301-C Riverside Drive, Mount Vernon, Washington 98273, and Thomas K. Studebaker, **BENEFICIARY**, whose address is 624 S. Spruce, Burlington, Washington 98233.

WITNESSETH: **GRANTOR** hereby bargains, sells and conveys to Trustee in Trust, which power of sale, the following described real property in Skagit County, Washington:

Tract 17, REVISED PLAT OF SAN JUAN LOOKOUT, SKAGIT COUNTY 5-ACRE SUBDIVISION NO. 509-80, approved November 13, 1981, in Volume 3 of Surveys, page 151, under Auditor's File No. 8111130039, records of Skagit County, Washington; being a revision of that subdivision recorded in Volume 5 of Short Plats, page 103, records of Skagit County, Washington:

Being a portion of the Southwest Quarter of Section 26, Township 36 North, Range 3 East of the Willamette Meridian, and a portion of the Southeast Quarter of Section 27, Township 36 North, Range 3 East of the Willamette Meridian.

\*and recorded November 13, 1982,  
Situate in the County of Skagit, State of Washington

Assessor's Property Tax Parcel/Account Number(s): P48288/360326-3-003-0700  
P48287/360326-3-003-0900  
P108020/360326-3-003-0800  
P108007/360326-3-003-1000

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 way 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 Six Hundred Thousand Dollars (\$600,000.00) with interest, in accordance with the terms of two promissory notes of even

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date herewith, one for Five Hundred Thousand Dollars (\$500,000.00) and one for One Hundred Thousand Dollars (\$100,000.00), both 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 Second 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 Second 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. **GRANTOR** shall provide the **BENEFICIARY** with a copy of said insurance policy within thirty days of renewal or any change in coverage.
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.

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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. To comply with all the terms and conditions of Surface Mining Reclamation Permit 70-1011728. Failure for **GRANTOR** to comply with said permit terms and conditions, except Additional Condition number (8), shall constitute a default under this agreement

**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 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 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 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 a party unless such action or proceeding is brought by the **TRUSTEE**.

8. In the event the **GRANTOR** defaults in the payment of any indebtedness secured hereby or the performance of any other agreement, obligation or condition in this deed of trust, the beneficiary shall be entitled to collect and retain the rents, issues and profits from said property or any part thereof, either with or without taking possession.

9. 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.

10. The **BENEFICIARY** may declare all sums secured by this Second Deed of Trust to be immediately due and payable if all or any part of the property or any interest therein is sold or transferred by **GRANTOR** without **BENEFICIARY'S** prior written consent.

**This Second Deed of Trust is subject to a Deed of Trust recorded under Skagit County Auditor's File No. 9806230056 that secures a debt on a promissory note to Luther Miller and Clarice Miller, as Trustees of "The Miller Living Trust" (beneficiary under the Deed of Trust) executed by Studebaker (Grantor) on May 5<sup>th</sup>, 1998 for Two Hundred Fifty Thousand dollars (\$250,000.00).**

**Do not lose or destroy this Second Deed of Trust or the notes that it secures. Both must be delivered to the Trustee for cancellation before reconveyance will be made.**

