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Skagit County Auditor

11/7/2003 Page 1 of 6 11:21AM

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**ACCOMMODATION RECORDING**

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**DEED OF TRUST**

**GRANTOR:** CLARK E. AND MARY ALICE SCHAEFER, HUSBAND AND WIFE  
**TRUSTEES:** CHICAGO TITLE INSURANCE COMPANY:  
**BENEFICIARY:** SEAWAY LOT 2C LLC

**LEGAL DESCRIPTION:**

THAT PORTION OF LOT 105, BLOCK 1, LAKE CAVANAUGH  
SUBDIVISION, DIVISION NO. 3, AS PER PLAT RECORDED IN VOLUME  
6 OF PLATS, PAGES 25 THROUGH 31, INCLUSIVE, RECORDS OF  
SKAGIT COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE NORTHWESTERLY LINE OF SAID  
LOT 105, LOCATED 30 FEET NORTHEASTERLY OF THE MOST  
WESTERLY CORNER OF SAID LOT:

THENCE 30 FEET SOUTHWESTERLY ALONG THE NORTHWESTERLY  
LINE OF SAID LOT TO THE MOST WESTERLY CORNER OF SAID LOT  
105; THENCE SOUTH 60 04' EAST ALONG THE SOUTHWESTERLY  
LINE OF SAID LOT, 226.30 FEET TO THE MOST SOUTHERLY CORNER  
OF SAID LOT; THENCE NORTH 48 47' ALONG THE SOUTHEASTERLY  
LINE OF SAID LOT, 60 FEET; THENCE NORTHWESTERLY IN A  
STRAIGHT LINE TO THE POINT OF BEGINNING. SITUATE IN THE  
COUNTY OF SKAGIT, STATE OF WASHINGTON.

**TAX PARCEL NO.:** 3939 001 105 0101

THIS DEED OF TRUST, made this 22nd day of October, 2003, between CLARK E.  
AND MARY ALICE SCHAEFER, husband and wife, Grantors, whose address is 7722 21st  
Avenue N.E., Seattle, WA 98115, SEAWAY LOT 2C LLC, a Washington Limited Liability  
Company, Beneficiary, whose address is 19505 22nd Ave. N.W., Shoreline, Washington  
98177, and CHICAGO TITLE INSURANCE COMPANY, a corporation, Trustee, whose  
address is Columbia Center, Suite 1800, 701 Fifth Avenue, Seattle, WA 98104.

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

THAT PORTION OF LOT 105, BLOCK 1, LAKE CAVANAUGH SUBDIVISION, DIVISION NO. 3, AS PER PLAT RECORDED IN VOLUME 6 OF PLATS, PAGES 25 THROUGH 31, INCLUSIVE, RECORDS OF SKAGIT COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE NORTHWESTERLY LINE OF SAID LOT 105, LOCATED 30 FEET NORTHEASTERLY OF THE MOST WESTERLY CORNER OF SAID LOT:

THENCE 30 FEET SOUTHWESTERLY ALONG THE NORTHWESTERLY LINE OF SAID LOT TO THE MOST WESTERLY CORNER OF SAID LOT 105; THENCE SOUTH 60 04' EAST ALONG THE SOUTHWESTERLY LINE OF SAID LOT, 226.30 FEET TO THE MOST SOUTHERLY CORNER OF SAID LOT; THENCE NORTH 48 47' ALONG THE SOUTHEASTERLY LINE OF SAID LOT, 60 FEET; THENCE NORTHWESTERLY IN A STRAIGHT LINE TO THE POINT OF BEGINNING. SITUATE IN THE COUNTY OF SKAGIT, STATE OF 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 given concurrently with two companion Deeds of Trust so that three Deeds of Trust are being given to secure one Promissory Note. The other Deeds of Trust encumber property in King County, Washington, legally described as:

LOT 30, EXCEPT THE NORTH 10 FEET IN BLOCK 7 OF HAYES PARK, AS PER PLAT RECORDED IN VOLUME 27 OF PLATS, PAGE 14, RECORDS OF KING COUNTY, AUDITOR.  
TAX PARCEL NO. APN 3186600505

AND

THE EAST 60 FEET OF THE WEST 190 FEET OF THE NORTH 130 FEET OF LOT 1, BLOCK 4 OF GREEN LAKE FIVE ACRE TRACTS TO THE CITY OF SEATTLE, ACCORDING TO PLAT RECORDED IN VOLUME 11 OF PLATS AT PAGE 72, IN KING COUNTY, WASHINGTON, EXCEPT THE NORTH 10 FEET FOR ROAD.  
TAX PARCEL NO. APN 288170 0474 02



This deed is for the purpose of securing performance of each agreement of the grantor herein contained, as guarantor of the debt hereinafter referenced and payment of the sum of Forty Five Thousand Six Hundred Sixty Nine and Eighty Five Cents (\$45,669.85), with interest, in accordance with the terms of a promissory note of even date herewith payable to Beneficiary or order, and made by MEECO MANUFACTURING, INC., Grantor, and all renewals, modifications, and extensions thereof, and also such further sums as may be advanced or loaned by Beneficiary to MEECO MANUFACTURING INC., 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.

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 or its authorized agent shall sell the trust property, in accordance with the Deed of Trust Act of the State of Washington, as 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 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 purchasers and encumbrances 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, or disability or resignation of Trustee, Beneficiary shall 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. The Beneficiary acknowledges that this Deed of Trust is a junior lien upon the property herein encumbered, and in order to enhance the financial position and obligations of the Grantor and the Debtor, whose debt the Grantors have guaranteed, the Beneficiary agrees to subordinate the lien of this Deed of Trust to one or two new loans to be obtained by MEECO MANUFACTURING, INC. and/or the Grantor in a combined beginning principal sum of not more than the amount necessary to refinance all other pre-existing financial encumbrances against the three properties herein described, together with the related costs to effect such transaction, but in any event not to exceed One Million Three Hundred Thousand Dollars (\$1,300,000.00) together with interest and other charges that may accrue thereon. The beneficiary acknowledges that the procedures involved in the subordination process may be subject to the good faith dictates of the new lenders and that the subordination process might be accomplished, at the direction of the lenders, either by subordination agreements, or by the reconveyance of this Deed of Trust, together with the execution and recording of a new Deed of Trust following the recording of a new Deed of Trust following the recording of the Deed of Trust securing the loan to which this encumbrance is to be subordinate. In the event that the procedure involves the reconveyance of this Deed of Trust and the recording of a new document, Beneficiary's subordination activities may be conditioned upon the issuance of title insurance for the subordinated loan, showing it to not be subordinate to any loan other than the new loans contemplated herein, subject to the limitations on subordination described above.

10. The loan secured by this Deed of Trust is made by the Beneficiary under unusual circumstances and on the basis of the Grantor's personal needs and the ability to pay. Therefore, the obligation to pay the debts secured by the Deed of Trust is neither assignable by the Grantor nor assumable by any transferee of the Grantor. If all or any part of the property or any interest therein, which is given as collateral for the loan, is transferred or encumbered by the Grantor (other than in the refinancing and subordination process mentioned above) or if the property is the subject of a foreclosure by a superior lien holder, then the entire balance and accrued interest remaining on the note secured by this Deed of Trust shall become immediately due and payable to the Beneficiary after thirty (30) days written notice to the Grantor.

  
CLARK E. SCHAEFER

  
MARY ALICE SCHAEFER



STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF KING )

I certify that I know or have satisfactory evidence that CLARK E. AND MARY ALICE SCHAEFER signed this instrument and acknowledged it to be their free and voluntary act for the uses and purposes mentioned in the instrument.

Dated: 10-22-03

**R. E. LAGESCHULTE**  
STATE OF WASHINGTON  
NOTARY --- PUBLIC  
MY COMMISSION EXPIRES 8-01-04

*[Signature]*  
ROGER E. LAGESCHULTE  
NOTARY PUBLIC in and for the State  
of Washington, residing at Seattle.  
My appointment expires 08-01-04

**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 the said Deed of Trust, and to reconvey, without warranty, to the parties designated by the terms of said Deed of Trust, all the estate now held by you thereunder.

DATED: \_\_\_\_\_

18.74



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Skagit County Auditor