

When Recorded, Return to:

**HILLIS CLARK MARTIN & PETERSON, P.S.**  
Attention: John L. West  
500 Galland Building  
1221 Second Avenue  
Seattle, WA 98101-2925



200407130129

Skagit County Auditor

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## DEED OF TRUST

<b>Grantor:</b>	1) SUNSET COVE DEVELOPMENT, L.L.C.	2)
<input type="checkbox"/>	Additional on page _____	
<b>Grantee:</b>	1) CASCADE NATURAL GAS CORPORATION	2)
<input type="checkbox"/>	Additional on page _____	
<b>Legal Description (abbreviated):</b>	TRACTS E AND G, SUNSET COVE ESTATES	
Additional on :	Page 1	
<b>Assessor's Tax Parcel ID #:</b>	4771-000-999-0400; 4771-000-999-0600	
<b>Reference Nos. of Documents Released or Assigned:</b>	N/A	

THIS DEED OF TRUST is made as of this June 16, 2004, by and among SUNSET COVE DEVELOPMENT, L.L.C., a Washington limited liability company, as Grantor, whose address is 120 E. George Hopper Road, #200, Burlington, WA 98233; HILLIS CLARK MARTIN & PETERSON, P.S., as Trustee, whose address is 1221 Second Avenue, Suite 500, Seattle, WA 98101; and CASCADE NATURAL GAS CORPORATION, a Washington corporation, as Beneficiary, whose address is 222 Fairview Avenue North, Seattle, WA 98109.

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

Tracts E and G, Plat of Sunset Cove Estates, according to plat thereof, recorded November 29, 2000 under Auditor's File No. 200011290070, records of Skagit County, Washington

which 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 Twenty Eight Thousand Nine Hundred Dollars and Eleven Cents (\$28,900.11), with interest, in accordance with the terms of a Developer Commitment Contract dated as of April 5, 2000 between Grantor and Beneficiary ("Contract"), and all renewals, modifications thereof, and also such further sums as may become owing pursuant to the terms of the Contract, 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 full replacement value of all improvements located on the property. 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.

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*Deed of Trust*

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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 Contract secured hereby, shall be added to and become a part of the debt secured by this Deed of Trust.

7. 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.

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 reasonable Trustee's fee and attorneys' fee; (2) to the obligation secured by this Deed of Trust; and (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 Contract secured hereby, whether or not named as Beneficiary herein.

EXECUTED as of the day and year first above written.

**GRANTOR:**

SUNSET COVE DEVELOPMENT, L.L.C.



By John Piazza  
Its Managing Member

*Deed of Trust*

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STATE OF WASHINGTON

COUNTY OF SKAGIT

ss.

On this day personally appeared before me JOHN PIAZZA, to me known to be the managing member of Sunset Cove Development, L.L.C. described in and who executed the within and foregoing instrument, and acknowledged that he signed the same in his capacity of managing member of Sunset Cove Development as his free, duly authorized, and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this 21<sup>st</sup> day of June, 2004.

Leah M. Meissner  
Printed Name LEAH M MEISSNER  
NOTARY PUBLIC in and for the State of Washington,  
residing at SEDRO WOOLLEY  
My Commission Expires 8-7-2005

