



**After recording return document to:
City of Sedro-Woolley
ATTN: Eron Berg, City Attorney
325 Metcalf Street
Sedro-Woolley, WA 98284**

**DOCUMENT TITLE:
DEED OF TRUST**

**REFERENCE NUMBER OF RELATED DOCUMENT:
N/A**

GRANTOR(S):

**GRANTEE(S):
CITY OF SEDRO-WOOLLEY, a Washington municipal corporation**

ABBREVIATED LEGAL DESCRIPTION:

ADDITIONAL LEGAL DESCRIPTION ON PAGE(S) ____ OF DOCUMENT.

ASSESSOR=S TAX PARCEL NUMBER(S):

DEED OF TRUST

THIS DEED OF TRUST is made this ____ day of _____, 200____,
between _____, "GRANTOR," whose address is _____;
_____; _____,
"TRUSTEE," whose address is _____; and
CITY OF SEDRO-WOOLLEY, "BENEFICIARY," whose address is 325 Metcalf Street, Sedro-
Woolley, WA, 98284.

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

(hereinafter referred to as the "Property") 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 way otherwise appertaining, and the rents, issues and
profits thereof.

This Deed of Trust is granted for the purposes of securing performance of each
agreement of Grantor herein contained and complete performance of all terms and payment of
the sums agreed to be paid in the Agreement to Construct Improvements between Grantor and
Beneficiary together with interest at twelve per cent (12%) from the date such payments are due
and unpaid, in accordance with the terms of the Agreement to Construct Improvements of even
date herewith payable to Beneficiary or order, and made by Grantor, and all renewals,
modifications and extensions thereof, and all other sums payable under the terms of said
Agreement to Construct Improvements and/or this Deed of Trust.

GRANTOR COVENANTS AND AGREES, in order to protect the security of this Deed
of Trust:

A. To comply with all laws, ordinances, regulations, covenants, conditions and
restrictions affecting the Property.

B. To pay before delinquency 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.

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C. To defend any action or proceeding purporting to affect the security hereof, or of the rights or powers of Beneficiary or Trustee, herein provided.

D. To pay all costs, fees and expenses incurred in enforcing the obligations secured hereby and Trustee's and attorney's fees actually incurred, as provided by statute.

E. Should Grantor fail to pay when due any taxes, assessments, liens, encumbrances, or other charges against the property hereinabove described, or other wise fail to keep and perform any of Grantor's covenants herein contained, the performance of which requires the expenditure of money, then, in any such event, the Beneficiary, at its election, may pay such sums as may be necessary to perform such obligations with respect to which the Grantor is in default, without prejudice to Beneficiary's right to accelerate the maturity of this Deed of Trust and to foreclose the same, and any and all amounts so paid shall be repaid by the Grantor to the Beneficiary upon demand, with interest thereon at the same rate as the indebtedness secured by this Deed of Trust from the date of such payment, and all such payments, with interest as above provided, from the date of payment, be added to and become a part of the indebtedness secured by this Deed of Trust.

IT IS MUTUALLY AGREED THAT:

1. In the event that any portion of the Property is taken or damaged in an eminent domain proceeding, the entire amount of the award of 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, or any partial payment or partial performance, Beneficiary does not waive its right to require prompt payment and performance when due of all other sums so secured.

3. The Trustee shall reconvey all or any part of the Property 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. Grantor shall hereby receive and be entitled to exclusive physical possession of the property covered by this Deed of Trust, but shall not have the right to remove, demolish, move or alter in any way, any buildings or other structures now located on the Property without the written consent of the Beneficiary.

5. All demands, notices, and correspondence, except original process in the event of litigation shall be deemed sufficient if mailed by certified mail, addressed to the respective parties at the following addresses:

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GRANTOR:

BENEFICIARY:

CITY OF SEDRO-WOOLLEY
325 Metcalf Street
Sedro-Woolley WA 98284

6. Upon default by Grantor in the payment of any indebtedness secured hereby or in the performance of any agreement contained herein or in the Agreement to Construct Improvements, 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.

7. 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 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.

8. Notwithstanding Beneficiary's acceleration of the sums and performance secured by this Deed of Trust, Grantor shall have the right to have any proceedings begun by Trustee to enforce this Deed of Trust discontinued at any time prior to the earlier to occur of (1) the tenth (10th) day before sale of the property pursuant to the power of sale contained in this Deed of Trust or (2) entry of a judgment enforcing this Deed of Trust if: (a) Grantor pays Beneficiary all sums which would be then due under this Deed of Trust, the Note and notes securing future advances, if any, had no acceleration occurred; (b) Grantor cures all breaches of any other covenants or agreements of Grantor contained in this Deed of Trust and the Agreement to Construct Improvements; (c) Grantor pays all reasonable expenses incurred by Beneficiary and Trustee in enforcing the covenants and agreements of Grantor contained in this Deed of Trust.

9. 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.

10. In the event of the death, incapacity or disability or resignation of the 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

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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.

11. If all or any part of the Property or an interest therein is sold or transferred by Grantor without Beneficiary's prior written consent, excluding (1) the creation of a lien or encumbrance subordinate to this Deed of Trust, or (2) a transfer by devise, descent or by operation of law upon the death of a joint tenant, Beneficiary may, at Beneficiary's option, declare all the sums secured by this Deed of Trust to be immediately due and payable. Beneficiary may waive such option to accelerate in writing.

If Beneficiary exercises such option to accelerate, Beneficiary shall mail Grantor notice of acceleration. Such notice shall provide a period of not less than sixty (60) days from the date the notice is mailed within which the Grantor may pay the sums declared due and/or complete the required performance. If Grantor fails to pay such sums or complete required performance prior to the expiration of such period, Beneficiary may, without further notice or demand on Grantor, invoke any remedies prescribed by applicable law.

12. Grantor will pay all costs, expenses and fees incurred in connection with this Deed of Trust, including the costs of title insurance, and including those costs, expenses and attorney fees incurred in enforcing obligations of the Grantor secured hereby.

13. Upon payment of all sums and completion of all performance secured by this Deed of Trust, Beneficiary shall request Trustee to reconvey the Property and shall surrender this Deed of Trust and all notes evidencing indebtedness secured by this Deed of Trust to Trustee. Trustee shall reconvey the Property without warranty and without charge to the person or persons legally entitled thereto. Such person or persons shall pay all costs of recordation, if any.

14. It is understood and agreed by the parties hereto that if any part, term, or provision of this Deed of Trust is judicially determined to be illegal or in conflict with any law of the State of Washington, the validity of the remaining portions or provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the instrument did not contain the particular part, term or provision held to be invalid.

15. This Deed of Trust applies to, inures to the benefit of, and is binding upon the parties hereto, and on their heirs, devisees, legatees, administrators, executors, successors and assigns. The term Beneficiary shall mean the holder and owner of the obligations secured hereby, whether or not named as Beneficiary herein.

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BENEFICIARY:
CITY OF SEDRO-WOOLLEY

GRANTOR:

By: _____

By: _____

Its: _____

Its: _____

STATE OF WASHINGTON)
) §.
COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that (he/she) signed this instrument, on oath stated that (he/she) was authorized to execute the instrument and acknowledged it as the _____ of _____ to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: _____, 20__.

NOTARY PUBLIC in and for the
State of Washington, residing at _____.
My Commission expires:_____.

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

DATED this _____ day of _____, 20__.

CITY OF SEDRO-WOOLLEY:

By: _____

Its: _____