



200706250169

Skagit County Auditor

6/25/2007 Page 1 of 3 3:24PM

When Recorded Return to:  
Chicago Title Company  
P. O. Box 670  
Burlington WA 98233

**Chicago Title Company - Island Division**  
Order No: BE11354 MJJ  
IC41905

**ACCOMMODATION RECORDING**

Chicago Title Company has placed  
this document for recording as a  
customer courtesy and accepts no  
liability for its accuracy or validity

**DEED OF TRUST**

*(For use in the State of Washington only)*

THIS DEED OF TRUST, made June 19, 2007 between

LOS JARRITOS, INC., a Washington Profit Corporation  
as **GRANTOR(S)**, whose address is 24204 23rd Avenue SW Bothell WA 98021  
and

Chicago Title Company - Island Division, a Washington Corporation  
as **TRUSTEE**, whose address is 839 S. Burlington Blvd  
P. O. Box 670, Burlington WA 98233  
and

DALE LEE PENDRY and PATRICIA K. SUMMERS, each as their separate estate  
as **BENEFICIARY**, whose address is 6954 Steelhead Lane, Burlington, WA 98233

WITNESSETH, Grantor(s) hereby bargain(s), sell(s) and convey(s) to Trustee in Trust, with  
power of sale, the following described real property in Skagit County, Washington:

The South 5 feet of Lot 1 and all of Lot 2, and the North quarter of Lot 3, Block 1, KNUTZEN'S  
ADDITION TO THE TOWN OF BURLINGTON, according to the Plat thereof recorded in  
Volume 3 of Plats, Page 80, records of Skagit County, Wahsington;

EXCEPT that portion lying Westerly of a line 40 feet East and parallel with the West  
line of the Northwest Quarter of Section 5, Township 34 North, Range 4 East, W.M.

Situated in Skagit County, Washington

Tax Parcel Number(s): 4089-001-003-0001 P72657

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 wise appertaining, and the rents, issues and profits thereof.

**The property described in this Deed of Trust may not be sold or transferred without the  
Holder's consent. Upon breach of this provision, Holder may declare all sums due  
under the Note secured by this Deed of Trust immediately due and payable, unless  
prohibited by applicable law.**

This deed is for the purpose of securing performance of each agreement of Grantor(s) herein  
contained, and payment of the sum of FOUR HUNDRED FIFTEEN THOUSAND AND 00/100  
(\$415,000.00) Dollars with interest, in accordance with terms of a promissory note of even date  
herewith, payable to Beneficiary or order, and made by Grantor(s), and all renewals,  
modifications and extensions thereof, and also such further sums as may be advanced or  
loaned by Beneficiary to Grantor(s), or any of his/her/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(s) covenant(s) and agree(s):

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(s). 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(s) 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 as may be necessary to fully satisfy the obligations 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(s) and the Beneficiary, or upon satisfaction of the obligations secured and written request for reconveyance made by the Beneficiary or the person entitled thereto.
4. Upon default by Grantor(s) 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 the Deed of Trust; (3) the surplus, if any, shall be distributed to the persons entitled thereto.



200706250169  
Skagit County Auditor

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(s) 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 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 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 the party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Grantor(s), 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 and assigns. The term Beneficiary shall mean the holder and owner of the note secured hereby, whether or not named as Beneficiary herein.

LOS JARRITO'S INC., a Washington Profit corporation

*Salvador G. Sahagun 6/20/07*  
 By Salvador G. Sahagun, Date  
 President

*Tracy V. Sahagun 6/20/07*  
 By Tracy V. Sahagun, Date  
 Secretary

STATE OF WASHINGTON  
 COUNTY OF KING

I certify that I know or have satisfactory evidence that Salvador G. Sahagun and Tracy V. Sahagun to me known to be the President and Secretary, respectively, of LOS JARRITO'S INC., the corporation that executed the within and foregoing instrument and acknowledged the said instrument to be the free and voluntary act and deed of said corporation for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute said instrument .

Dated: *June 21, 2007*

*Dominick V. Driano*  
**DOMINICK V. DRIANO**  
 Notary Public in and for the State of Washington  
 Residing at *Seattle*  
 My appointment expires: *1-28-2011*



200706250169  
 Skagit County Auditor