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Skagit County Auditor

12/21/2007 Page 1 of 7 11:08AM

Filed for record at the request of:
Puget Sound Investors
P.O. Box 2116
Mount Vernon, WA 98273

DOCUMENT TITLE: DEED OF TRUST
GRANTORS: SKAGIT SYNERGY LLC
YOUNGREN, DUANE D. and YOUNGREN, TIFFANY V.
GRANTEE/BENE.: HABERLY, TODD B.
GRANTEE/TRUSTEE: GUARDIAN NORTHWEST TITLE & ESCROW
LEGAL DESC.: Lots 1 to 6, Block 8, "AMENDED PLAT OF BURLINGTON, SKAGIT
COUNTY, WASH." (Affects Parcel "A"); and
Section 30, Township 34, Range 4; Ptn. NE SE (Affects Parcel "B")
TAX PARCEL NO.: P71323 / 4076-008-006-0016 (Parcel "A")
P28883 / 340430-0-071-0004 (Parcel "B")

GUARDIAN NORTHWEST TITLE CO.

DEED OF TRUST

B9359ZE

THIS DEED OF TRUST, made this 21 day of December, 2007, between SKAGIT SYNERGY LLC, a Washington Limited Liability Company, as to Parcel 'A', and DUANE D. YOUNGREN and TIFFANY V. YOUNGREN, husband and wife, as to Parcel 'B', GRANTORS, whose address is 16497 Dunbar Rd, Mount Vernon, WA 98273, GUARDIAN NORTHWEST TITLE AND ESCROW, INC., a Washington Corporation, TRUSTEE, the address of which is P.O. Box 1667, Mount Vernon, WA 98273, and TODD B. HABERLY, BENEFICIARY, whose address is P.O. Box 2116, Mount Vernon, WA 98273.

WITNESSETH: Grantors, in consideration of the acceptance by Trustee of the trust hereunder, and of other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and in order to secure the payment of the indebtedness evidenced by the promissory note of even date, with interest thereon, and any other sums payable thereunder and hereunder, and to secure the performance of the obligations contained herein, grant, bargain, sell and convey to Trustee and its successors and assigns forever, in trust, with power of sale, right of entry, and possession and for the benefit of the Beneficiaries, all of Grantor's estate, right, title, interest, claim and demand in the property located in Skagit County, State of Washington, described as follows:

(a) Legal Description:

PARCEL "A":

Lots 1 to 6, inclusive, Block 8, "AMENDED PLAT OF BURLINGTON, SKAGIT COUNTY, WASHINGTON", as per Plat recorded in Volume 3 of Plats, page 17, records of Skagit County; EXCEPT that portion of said Block 8 embraced within

the boundaries of the right-of-way of the spur track of the Great Northern Railway extending over and across said Block.

TOGETHER WITH that portion of the vacated West ½ of Oak Street adjoining said Lot 1 on the East.

And the North 30 feet of the vacated Magnolia Avenue located East of the Burlington Northern Railroad and West of the North Oak Street, abutting Lots 1 through 6 of Block 8 of the Amended Plat of Burlington.

PARCEL "B":

That portion of the East ½ of the Northeast ¼ of the Southeast ¼ of Section 30, Township 34 North, Range 4 East, W.M., described as follows:

Beginning at the Northeast corner of said Northeast ¼ of the Southeast ¼; thence West along the North line of said Northeast ¼ of the Southeast ¼, 339.75 feet, thence South 0 degrees 36' West, 315.06 feet to the true point of beginning of this description; thence from said point of beginning run South 88 degrees 34' West, 113.08 feet; thence North 0 degrees 33'20" West to the South line of the Blackburn Road; thence North 88 degrees 34' East on the South line of said road, 116.2 feet to a point that bears North 0 degrees 36' East from the point of beginning; thence South 0 degrees 36' West to the point of beginning;
EXCEPT the following described tracts:

Beginning at a point 455.95 feet West and 20 feet South of the Northeast corner of said Northeast ¼ of the Southeast ¼; thence South 0 degrees 33'20" East, 100 feet; thence North 88 degrees 34' East, 95 feet; thence North 0 degrees 33'20" West, 100 feet; thence West to the point of beginning;

AND ALSO EXCEPT that portion of said premises, if any, lying East of the West line of those premises conveyed to Ida M. Youngquist, by Deed dated October 29, 1937, filed November 3, 1941, as File No. 246062, and recorded in Volume 185 of Deeds, page 162

- (b) All buildings, structures and other improvements now or hereafter erected on the real property;
- (c) All fixtures and trade fixtures used in association with the improvements on the real property;
- (d) All personal property placed upon or used in conjunction with the real property;
- (e) All of the Grantors' rights as landlord in and to all existing and future leases and tenancies, whether written or oral, and any issues or profits thereof;
- (f) The rights to the proceeds of sale of any of the foregoing.

The described real property is not used principally for agricultural purposes (which is defined as an operation to produce crops, livestock or aquatic goods), 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.

This deed is for the purpose of securing performance of each agreement of the Grantors herein contained, and payment of the sum of THIRTY THOUSAND AND NO/100 (\$30,000.00) DOLLARS



with interest, in accordance with the terms of a promissory note of even date herewith, payable to Beneficiary or order, and made by Grantors, and all renewals, modifications and extensions thereof, and also such further sums as may be advanced or loaned by Beneficiary to Grantors, or any of their successors or assigns, together with interest thereon at such rate as shall be agreed upon. The term "Grantor" as used in this agreement includes the "Borrower" as defined in RCW 61.24, if the Borrower is a person or entity other than the Grantor.

To protect the security of this Deed of Trust, Grantors covenant and agree:

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. Grantors shall not cause, conduct or permit any nuisance nor commit, permit, or suffer any stripping of or waste on or to the property or any portion of the property. Without limiting the generality of the foregoing, Grantors will not remove, or grant to any other party the right to remove, any timber, minerals (including oil and gas), soil, gravel, or rock products without the prior written consent of Lender.

3. Lender and its agents and representatives may enter upon the Real Property at all reasonable times to attend to Lenders interests and to inspect the property for purposes of Grantors compliance with the terms and conditions of this Deed of Trust.

4. 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.

5. 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 Grantors. 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 Grantors in insurance policies then in force shall pass to the purchaser at the foreclosure sale.

6. 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.

7. 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 fees, attorney's fees, appraisal fees (including those related to any action for a deficiency judgment) actually incurred, as provided by statute.

8. Should Grantors 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 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. Each of the following, at the option of the Beneficiary, shall constitute an event of default



under this Deed of Trust:

- a. **Default in Indebtedness:** Failure of Grantors to make any payment when due on the indebtedness.
- b. **Default on Other Payments:** Failure of Grantors within the time required by this Deed of Trust to make any payment for taxes or any other payment necessary to prevent filing of or to effect discharge of any lien.
- c. **Compliance Default:** Failure of Grantors to comply with any other term, obligation, covenant or condition contained in this Deed of Trust or Note.
- d. **Defective Collateralization:** This Deed of Trust ceases to be in full force and effect at any time for any reason.
- e. **Foreclosure:** Commencement of foreclosure proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Grantors or by any governmental agency against any of the real property described herein.

5. Upon occurrence of any event of default and at any time thereafter, 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. Pursuant to RCW 62.9-501(4), if this deed of trust encumbers both real and personal property, the trustee is authorized to sell all or any portion of the grantor's interest in the real and personal property at the trustee's sale. 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. With regard to any personal property, fixtures, assignments of choses, such security may be foreclosed as provided herein, or as may otherwise be provided by law.

6. Nothing herein contained shall prohibit Beneficiary from pursuing any other remedy available to it or its successor at law. Specifically, Beneficiary or Trustee shall be entitled to take possession of any property defined as security hereunder, to marshal the assets defined as security hereunder, and to the appointment of a receiver in the manner provided by law, without regard to the sufficiency of the property or any other security for the indebtedness secured hereby, which receiver shall be entitled to collect the rents, profits, proceeds of sale, or other income generated by the property used as security hereunder, and the application of such sums to the indebtedness owed Beneficiary. Beneficiary, or Beneficiary's agent or designee, shall be entitled to act in the capacity of receiver without necessity of appointment by the court having jurisdiction, and without bond. In the event Beneficiary obtains the appointment of a receiver from a court of competent jurisdiction, Beneficiary may so act or may designate Beneficiary's agent so to act, without bond to the extent allowed by law. The costs of such receivership shall be added to and become a part of the debt secured by this Deed of Trust.

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 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.

8. 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.

9. In the event of the death, incapacity, disability or resignation of Trustee or the election of the beneficiary to replace 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 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.

10. 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.

11. **Due on Sale Clause:** Beneficiary may, at its option, declare immediately due and payable all



sums secured by this Deed of Trust upon the sale of transfer of all or any part of the real property, or any interest therein, without the Beneficiaries' prior written consent.

Grantor's Street Address for service of process: 16497 Dunbar Rd, Mount Vernon, WA 98273.

SKAGIT SYNERGY LLC, a Washington limited liability company.

By: *DUANE D. YOUNGREN member*
DUANE D. YOUNGREN
Its Member

By: *TIFFANY V. YOUNGREN member*
TIFFANY V. YOUNGREN
Its Member

DUANE YOUNGREN
DUANE YOUNGREN

TIFFANY YOUNGREN
TIFFANY YOUNGREN

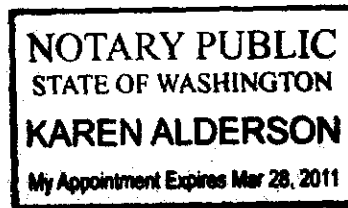


STATE OF WASHINGTON)
) ss.
County of Skagit)

On this day personally appeared before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, DUANE D. YOUNGREN and TIFFANY V. YOUNGREN, to me known to be the individuals described in and who executed the foregoing instrument, and acknowledged it as Members of SKAGIT SYNERGY, LLC, a Washington Limited Liability Company, to be the free and voluntary act and deed of such party for the uses and purposes therein mentioned.

Witness my hand and official seal this 21st day of Dec, 2007.

Karen Alderson
NOTARY PUBLIC
Printed Name: Karen Alderson
My appointment expires: 3-28-11

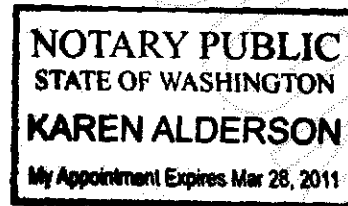


STATE OF WASHINGTON)
) ss.
County of skagit)

On this day personally appeared before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, DUANE D. YOUNGREN and TIFFANY V. YOUNGREN, husband and wife, to me known to be the individuals described in and who executed the foregoing instrument, and acknowledged that they signed the said instrument as their free and voluntary act and deed for the uses and purposes therein mentioned.

Witness my hand and official seal this 21st day of Dec, 2007.

Karen Alderson
NOTARY PUBLIC
Printed Name: Karen Alderson
My appointment expires: 3-28-11



REQUEST FOR FULL RECONVEYANCE

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 this _____ day of _____, 20____.

