

After Recording Return To:
Kirsten Ambach
6517 58th Avenue NE
Seattle, WA 98115



201103230034
Skagit County Auditor

3/23/2011 Page 1 of 5 10:18AM

GUARDIAN NORTHWEST TITLE CO.

ACCOMMODATION RECORDING ONLY

DEED OF TRUST

101334

Grantors: M. Leif Johnson and Janine Ward
Grantee (Beneficiary): James Gonyo and Kirsten Ambach
Grantee (Trustee): First American Title Insurance Company
Abbrv. Legal Description: A portion of the SE of the NE of section 17
Township 35 range 4
Assessor's Tax Parcel ID# P36812 350417-1-D13-DDDA

THIS DEED OF TRUST, made effective the 1st day of March, 2011, between **M. Leif Johnson and Janine Ward** ("Grantors"), whose address is 402 South 9th Street, Mount Vernon, WA 98274, **First American Title Insurance Company** ("Trustee"), whose address is 1301 B. Riverside Dr., Mount Vernon, WA 98273, and **James Gonyo**, whose address is 7256 Rte. 22, West Chazy, New York, 12992, and **Kirsten Ambach**, whose address is 6517 58th Ave. NE, Seattle, WA 98115 (together the "Beneficiary").

Grantors hereby grant, bargain, sell and convey to Trustee in trust, with power of sale, all Grantors' right, title, estate and interest, now owned or hereafter acquired, in the real property located in Skagit County, Washington, the street address of which is 19884 Kelleher Road, Burlington, WA 98233, and legally described as:

Deed of Trust -1

All that portion of the Southeast ¼ of the Northeast ¼ of Section 17, Township 35 North, Range 4 East W.M., lying Easterly of the following described line:

Beginning at the Northeast corner of said subdivision; thence South 89°39'21" West along the North line of said subdivision a distance of 616.66 feet to a point which bears North 89°39'21" East a distance of 681.58 feet from the Northwest corner of said subdivision (this distance is given in previous deeds as 693 feet), said point being the TRUE POINT OF BEGINNING for a boundary line between the Fox and O'Bryan properties as established by deeds recorded under Auditor's File Nos. 851488 and 851489, records of Skagit County, Washington; thence South 0°01'51" West a distance of 615.37 feet to a point on the North line of the South 703.89 feet of said subdivision; thence North 89°40'18" East a distance of 123.75 feet; thence South 0°01'51" West a distance of 703.89 feet to the South line of said subdivision and the terminal point of this line description, said point bearing South 89°40'18" West a distance of 482.42 feet from the Southeast corner of said subdivision and said point being 2 feet West of an existing fence corner.

TOGETHER WITH a non-exclusive easement for ingress, egress and utilities over and across an existing road described as follows:

Beginning at a point on the South line of the Northeast ¼ of the Northeast ¼ of said Section 17 which is 363 feet, more or less, West of the Southeast corner of said subdivision; thence Northwesterly to the Olympic Marsh Hill Ditch; and thence North to the county road.

together with all the tenements, hereditaments and appurtenances now or hereafter thereunto belonging or in anywise appertaining (the "property"), all improvements now or hereinafter thereon or therein (the "improvements"), and the rents, issues and profits of the foregoing.

This Deed of Trust is for the purpose of securing performance of each agreement of Grantors herein contained, and payment of the sum of **Ninety Thousand Dollars (\$90,000.00)** with interest, all in accordance with the terms of a promissory note dated March 1, 2011, issued by Grantors and held two-thirds (2/3) by James Gonyo and one-third (1/3) by Kirsten Ambach, each a Beneficiary herein, and all renewals, modifications and extensions thereof, and also such further sums as provided in the note.

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

1. To pay before delinquency all lawful taxes and assessments upon the property and/or the improvements; to keep the property and improvements free and clear of all other charges, liens or encumbrances impairing the security of this Deed of Trust.

Deed of Trust -2



201103230034

Skagit County Auditor

2. To keep the improvements continuously insured against loss by fire or other hazards in an amount not less than the full replacement cost of such improvements.

3. To defend any action or proceeding purporting to affect the security of this Deed of Trust or the rights or powers of Beneficiary or Trustee under this Deed of Trust, 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.

4. To pay all costs, fees and expenses in connection with this Deed of Trust, including the expenses of the Trustee incurred in enforcing the obligations secured hereby and Trustee's and attorney's fees actually incurred, as provided by statute.

5. Should Grantors fail to pay when due any taxes, assessments, insurance premiums, liens, encumbrances or other charges against the property and/or improvements, 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 obligations secured in this Deed of Trust.

IT IS MUTUALLY AGREED THAT:

6. In the event any portion of the property or improvements is taken or damaged in an eminent domain proceeding, or conveyed by deed in lieu of such proceedings, the entire amount of the award or amount paid for the property and improvements, 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.

7. Should the property or improvements be sold, conveyed or otherwise transferred or should the Grantors grant any security interest in or pledge the property or place any encumbrance against the property or improvements prior to the payment in full of the note which is secured by this Deed of Trust, said note shall without any action or notice on the part of the Grantors hereof or the holder of the note become immediately due and payable.

8. The Grantors shall pay in full all amounts due under the note which is secured by this Deed of Trust before the Grantors place any other encumbrance against to the property or improvements.

9. By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive Beneficiary's right to require prompt payment when due of all other sums so secured or to declare default for failure to so pay.

10. The Trustee shall reconvey all or any part of the property and improvements covered by this Deed of Trust to the person entitled thereto on the joint written request of the

Deed of Trust -3



201103230034
Skagit County Auditor

Grantors and each Beneficiary, or upon satisfaction of the obligations secured hereby and written request for reconveyance made by each Beneficiary or the person entitled thereto.

11. Upon default by Grantors in the payment of any indebtedness secured hereby or in the performance of any agreement contained herein and Grantors' failure to cure that default within ten (10) days following Beneficiary's giving written notice of default, all sums secured hereby shall immediately become due and payable without further action or notice by the Beneficiary or the holder of the note secured hereby. In such event and upon written request of Beneficiary, Trustee shall sell the property and improvements, 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 this Deed of Trust; (3) the surplus, if any, shall be distributed to the persons entitled thereto.

12. Trustee shall deliver to the purchaser at the sale its deed, without warranty, which shall convey to the purchaser the interest in the property and improvements which Grantors had or had the power to convey at the time of their execution of this Deed of Trust, and such as they 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.

13. 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.

14. 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 any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Grantors, Trustee or Beneficiary shall be a party unless such action or proceeding is brought by the Trustee.

15. 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.

16. Grantors represent and warrant that the property and improvements covered by this Deed of Trust are not used principally for agricultural or farming purposes.

Deed of Trust -4



201103230034

Skagit County Auditor

DATED the day and year first above written.

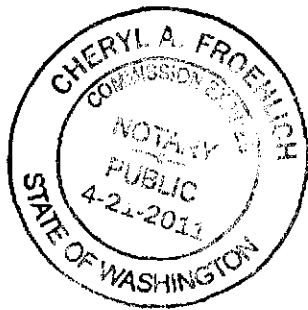
M. LEIF JOHNSON

JANINE WARD

STATE OF WASHINGTON)
) ss.
COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that M. Leif Johnson and Janine Ward are the individuals who appeared before me, and said individuals acknowledged that they signed this instrument, on oath stated that they were authorized to execute the instrument and acknowledged it to be the free and voluntary act of such parties for the uses and purposes mentioned in the instrument.

DATED: March 23, 2011.



NOTARY PUBLIC in and for the State of Washington, Residing at _____
Burlington
(Printed or Stamped Name of Notary)
My appointment expires 4-21-11

Deed of Trust -5



201103230034
Skagit County Auditor