



LAND TITLE
COMPANY

FILED FOR RECORD AT REQUEST OF

LAND TITLE COMPANY OF SKAGIT COUNTY

WHEN RECORDED RETURN TO

Name..... SKAGIT STATE BANK

Address..... PO BOX 285

City, State, Zip..... BURLINGTON, WA 98233

T-71649

THIS SPACE PROVIDED FOR RECORDER'S USE:

JERRY MCINTURFF
SKAGIT COUNTY AUDITOR

93 SEP 10 P4:08

RECORDED..... FILED.....
REQUEST OF.....

9309100086

Deed of Trust

(For Use in the State of Washington Only)

THIS DEED OF TRUST, made this 3rd day of September, 19 93, between
RONALD C. KNUTZEN and MARILYN KNUTZEN, husband and wife, GRANTOR,
whose address is 752 Samish Point Rd, Bow, WA 98232
LAND TITLE COMPANY OF SKAGIT COUNTY, a corporation, TRUSTEE, whose address is
P.O. Box 1225, Mount Vernon, Washington, and
SKAGIT STATE BANK, a Washington corporation, BENEFICIARY,
whose address is PO Box 285, 301 E. Fairhaven Ave., Burlington, WA 98233
WITNESSETH: Grantor hereby bargains, sells and conveys to Trustee in Trust, with power of sale, the
following described real property in Skagit County, Washington:
As described on attached:

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.

This deed is for the purpose of securing performance of each agreement of grantor herein contained, and One Million Sixty Two Thousand Four Hundred Fifty Eight & 85/100ths Dollars (\$1,062,458.85) payment of the sum of with interest, in accordance with the terms of a promissory note of even date herewith, payable to Beneficiary or order, and made by Grantor, and all renewals, modifications and extensions thereof, and also such further sums as may be advanced or loaned by Beneficiary to Grantor, or any of 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 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.

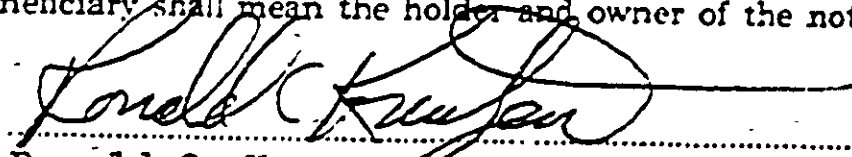
9309100086

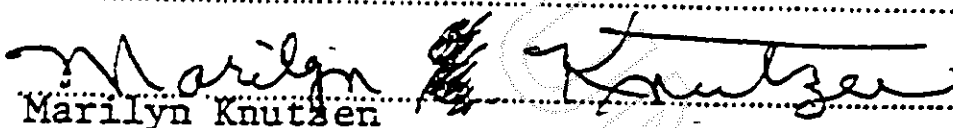
BK 1232 PG 0435

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. 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 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. 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 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.
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 purchaser 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 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.


Ronald C. Knutzen

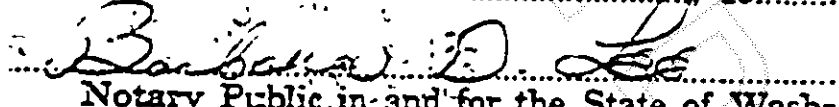

Marilyn Knutzen

STATE OF WASHINGTON
COUNTY OF SKAGIT } ss.

On this day personally appeared before me
Ronald C. Knutzen and Marilyn Knutzen

to me known to be the individual described in and
who executed the within and foregoing instrument,
and acknowledged that they signed the same
as their free and voluntary act and deed,
for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this
3rd day of September 1993


Notary Public in and for the State of Wash-
ington, residing at Burlington.

STATE OF WASHINGTON
COUNTY OF } ss.

On this day of 19 before me, the undersigned, a Notary Public in and for the State of Wash-
ington, duly commissioned and sworn, personally appeared

and
to me known to be the President and Secretary,
respectively of the corporation that executed the foregoing instrument, and acknowledged
the said instrument to be the free and voluntary act and deed of said corpora-
tion, for the uses and purposes therein mentioned, and on oath stated that
authorized to execute the said instrument and that the seal
affixed is the corporate seal of said corporation.

Witness my hand and official seal hereto affixed the day and year first
above written.

Notary Public in and for the State of Washington,
residing at

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

Dated, 19

BK 1232 PG 0436

9309100085

Schedule "A-1"

T-71649

DESCRIPTION:

PARCEL "A":

The Southeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ and the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 27, Township 36 North, Range 3 East, W.M.,

EXCEPT roads and drainage ditch rights of way,

AND EXCEPT the North 33 feet of said Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$,

AND EXCEPT that portion of said Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$, described as follows:

Beginning at the intersection of the East line of the State Highway and the South line of said Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$; thence North along said East line 82.5 feet (5 rods); thence East parallel to said South line 214.7 feet (13 rods); thence South parallel to the East line of said highway 82.5 feet (5 rods) to the South line of said subdivision; thence West along said South line 214.5 feet (13 rods) to the point of beginning.

Situate in the County of Skagit, State of Washington.

PARCEL "B":

Government Lots 4 and 5 and all of the South $\frac{1}{2}$ of the Southeast $\frac{1}{4}$ of Section 28, Township 36 North, Range 3 East, W.M.,

EXCEPT roads,

AND EXCEPT ditch rights of way along the South line of the Southeast $\frac{1}{4}$ and along the North line thereof.

Situate in the County of Skagit, State of Washington.

PARCEL "C":

Government Lot 1 and the Northeast $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of Section 33, Township 36 North, Range 3 East, W.M.,

EXCEPT roads, private or public, and rights of way therefor, and ditch rights of way,

- Continued -

9309100086

BK1232PG0437

Schedule "A-1"

T-71649

DESCRIPTION CONTINUED:

PARCEL "C" continued:

ALSO that portion of Government Lot 2 and of the Southwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of Section 33, Township 36 North, Range 3 East, W.M., described as follows:

Beginning on the North line of the Southwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ 188.2 feet East of the Northwest corner;
thence South $54^{\circ}05'$ West 167 feet to a point 53 feet East of the West line of said Section 33;
thence South 1,145.3 feet;
thence South $87^{\circ}03'$ East 195.9 feet;
thence South $0^{\circ}34'$ East 220 feet, more or less, to the North Samish River;
thence Westerly along the Samish River to the Southeast corner of a tract in Lot 2, deeded to Margaret A. Druand, dated May 18, 1912 and recorded in Volume 89 of Deeds, page 193;
thence North along the East line 2.94 chains;
thence West to a point 33 feet East of the West line of Section 33;
thence North to base of Dike District No. 4;
thence Northeasterly along base of Dike to the North line of said Southwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$;
thence East 69 feet to the point of beginning,

EXCEPT that portion of said premises, if any, lying within the dike right of way, and within road rights of way, public or private, other than that conveyed to Henry J. Roehl, et al, by deeds recorded in Volume 187 of Deeds, pages 88 and 90.

Situate in the County of Skagit, State of Washington.

PARCEL "D":

The Southwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 5; the Southeast $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ of Section 6; the North $\frac{1}{2}$ of the Northwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of Section 8; Government Lot 1, Section 7, all in Township 35 North, Range 3 East, W.M.,

EXCEPT County roads and rights of way therefor,

- Continued -

Schedule "A-1"

T-71649

DESCRIPTION CONTINUED:

PARCEL "D":

AND EXCEPT that portion of the Southeast $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ of Section 6, Township 35 North, Range 3 East, W.M., conveyed to Dike District No. 5 by deed filed for record March 7, 1947, under Auditor's File No. 401752, records of said County, which portion is described as being the Northerly 10 feet adjoining the South line of the County road and parallel thereto, across said Southeast $\frac{1}{4}$ of the Southeast $\frac{1}{4}$.

Situate in the County of Skagit, State of Washington.

PARCEL "E":

The Southwest $\frac{1}{4}$ of the Southeast $\frac{1}{4}$; the Southeast $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of the Northeast $\frac{1}{4}$; the Northeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$, and the Northwest $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ of Section 7, Township 35 North, Range 3 East, W.M.,

EXCEPT roads.

Situate in the County of Skagit, State of Washington.

PARCEL "F":

The East $\frac{1}{2}$ of the Northeast $\frac{1}{4}$ of Section 26, Township 35 North, Range 3 East, W.M.,

EXCEPT road.

Situate in the County of Skagit, State of Washington.

PARCEL "G":

The Northeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ and that portion of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$, lying East of the County road in Section 25, Township 35 North, Range 3 East, W.M.,

EXCEPT road and drainage ditch rights of way.

Situate in the County of Skagit, State of Washington.

- Continued -

9309100085

BK 1232 PG 0439

Schedule "A-1"

T-71649

DESCRIPTION CONTINUED:

PARCEL "H":

The Northwest $\frac{1}{4}$ of the Northeast $\frac{1}{4}$,

EXCEPT the as built and existing County road running along the North line thereof,

AND EXCEPT the right of way of Drainage District No. 14, as condemned in Skagit County Superior Court Cause Nos. 3062 and 3064; the Southwest $\frac{1}{4}$ of the Northeast $\frac{1}{4}$ and the Southeast $\frac{1}{4}$ of the Northwest $\frac{1}{4}$, all in Section 36, Township 35 North, Range 3 East, W.M.,

EXCEPT from all of the above, mineral rights as reserved by the State of Washington by deed recorded November 25, 1916, in Volume 105 of Deeds, page 298, under Auditor's File No. 116206, records of Skagit County, Washington.

Situate in the County of Skagit, State of Washington.

PARCEL "I":

The Southeast $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ and that portion of the Northeast $\frac{1}{4}$ of the Southeast $\frac{1}{4}$, lying South and West of the Samish River of Section 13, Township 35 North, Range 3 East, W.M.,

EXCEPT road,

AND EXCEPT that portion of the Southeast $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ known as Tract A of Short Plat No. 55-76,

ALSO, that portion of Government Lot 3 in Section 18, Township 35, Range 4 East, W.M., described as follows:

Beginning at the Southwest corner of said Lot 3;
thence East along the South line of said Lot to an intersection with the right of way of the Great Northern Railway Company;
thence Northwesterly along the Westerly line of said right of way to the Samish River;
thence following the said river in a Southwesterly direction to the West line of Lot 3;
thence South to the point of beginning.

- Continued -

Schedule "A-1"

T-71649

DESCRIPTION CONTINUED:

PARCEL "I" Continued:

ALSO, Government Lot 4 in Section 18, Township 35 North, Range 4 East, W.M.,

EXCEPT road and right of way of Great Northern Railway Company,
AND EXCEPT the following described tract:

Beginning at the intersection of the North line of the County road
and the East line of said Government Lot 4;
thence North 215 feet;
thence West 180 feet;
thence South 215 feet, more or less, to the North line of the
County road;
thence East 180 feet, more or less, to the point of beginning.

Situate in the County of Skagit, State of Washington.

PARCEL "J":

Tract 2, Short Plat No. 1-84, approved January 9, 1985, recorded
January 11, 1985 in Book 6 of Short Plats, page 199, under
Auditor's File No. 8501110011 and being a portion of the West $\frac{1}{2}$ of
the Northwest $\frac{1}{4}$ of Section 25, Township 35 North, Range 3 East,
W.M.

Situate in the County of Skagit, State of Washington.

930910008\$

BK 1232 PG 0441