


Filed for Record at Request of:
James E. Britain
P.O. Box 367
Bellingham, WA 98227


200311050085
Skagit County Auditor
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Grantor: Philip G. Burton, an unmarried person
Grantee: Mark Linnemann, an unmarried person
Abbreviated legal description: Tract 4, SP# 92-027
Tax Parcel Number: 102410

628753✓
Chicago Title Co

DEED OF TRUST

THIS DEED OF TRUST, made this 3rd day of October 2003, between Philip G. Burton, GRANTOR, whose address is 620 Commercial Avenue, Anacortes, Washington 98221, and Chicago Title Company - Island Division, TRUSTEE, whose address is 839 Burlington Boulevard, Burlington, Washington 98233-0670, and Mark Linnemann, BENEFICIARY, whose address is P.O. Box 345, Anacortes, Washington 98221.

WITNESSETH: Grantor hereby bargains, sells and conveys to Trustee in trust, with power of sale, real property located on Solstice Lane, Guemes Island, Skagit County, Washington, described in the attached Exhibit A, 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 payment of the sum of SIXTY THOUSAND DOLLARS (\$60,000) with interest, in accordance with the terms of a Promissory Note, payable to Beneficiary, or order, and made by Grantor, along with the corresponding Loan Agreement, 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.

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 the 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 costs 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 payment of any indebtedness secured hereby, or in the performance of any agreement contained herein to which reference is made in this Deed of Trust, 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 the Trustee, may bid at Trustee's sale. Trustee shall apply the proceeds of the sale as follows: (a) to the expense of the sale, including reasonable Trustee's fees and attorney's fees; (b) to the obligation secured by this Deed of Trust; (c) 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 purchasers 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.

9. Prior Indebtedness.

9.1. Prior Liens – Not applicable.

9.2. Default. If the payment of any installment of principal or any interest on the prior indebtedness is not made within the time required by the note evidencing such indebtedness, or should an event of default occur under the instrument securing such indebtedness and not be cured during any applicable grace period therein, then the Indebtedness secured by this Deed of Trust shall, at the option of Beneficiary, become immediately due and payable, and this Deed of Trust shall be in default.

9.3. No Modifications. Grantor shall not enter into any agreement with the holder of any mortgage, deed of trust or other security agreement which has priority over this Deed of Trust by which that agreement is modified, amended, extended, or renewed without the prior written consent of Lender. Grantor shall neither request nor accept any future advances under a prior mortgage, deed of trust or any other security agreement without the proper written consent of Beneficiary.

GRANTOR:


PHILLIP G. BURTON

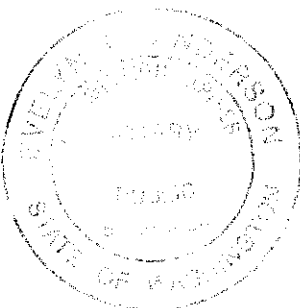
STATE OF WASHINGTON)

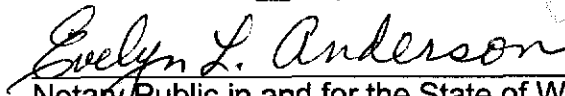
) ss.

COUNTY OF SKAGIT)

On this day personally appeared before me PHILLIP G. BURTON, to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 14th ^{november} day of ~~October~~ 2003.




Notary Public in and for the State of Washington

My Commission expires: 8-10-2004




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, 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: _____


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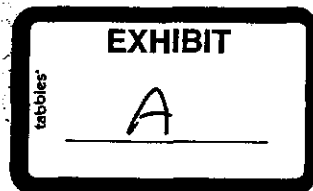
EXHIBIT "A"

All that portion of Tract 4, Skagit County Short Plat No. 92-027, approved December 14, 1992, and recorded December 15, 1992, in Volume 10 of Short Plats, page 155, under Auditor's File No. 9212150027, records of Skagit County, Washington, described as follows:

Beginning at the Northeast corner of said Tract 4;
thence South 01°25'51" West for 901.5 feet to the point of beginning;
thence North 87°15'05" West for 486.8 feet to an intersection with the West line of said Tract 4;
thence South 01°15'28" West along the West line thereof for 555.53 feet to the Southwest corner of Tract 4;
thence South 88°45'01" East along the South line of Tract 4 for 888.63 feet to the Southwest corner thereof;
thence North 01°25'51" East 464.88 feet to the Northwest corner of Tract 3 of said Short Plat;
thence North 87°15'05" West 403.63 feet;
thence North 01°25'51" East for 33.7 feet to the point of beginning;

All situate in Skagit County, Washington.

- END OF EXHIBIT "A" -



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