



200408030164
Skagit County Auditor

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AFTER RECORDING RETURN TO:

**LaVerne Krieger
4818 New Woods Pl
Mt. Vernon WA 98274**

**FIRST AMERICAN TITLE CO.
ACCOMMODATION RECORDING ONLY
B81436-E-4**

DEED OF TRUST

THIS DEED OF TRUST, made this 2nd day of **August, 2004**, by and between, **Ellis Properties, L.L.C.**, Grantor, whose mailing address is 823 Sunset Lane #, Sedro Woolley WA 98284; **FIRST AMERICAN TITLE COMPANY**, as Trustee, whose mailing address is P.O. Box 1667, Mount Vernon, WA 98273; and **LaVerne Krieger, as her separate estate and William & Patricia Krieger, husband and wife** Beneficiary, whose mailing address is 4818 New Woods Pl., Mt. Vernon, WA 98274 **WITNESSETH:** Grantor hereby bargains, sells and conveys to Trustee in Trust, with power of sale, the following described real property in Skagit County, Washington.

Assessor's Property Tax Parcel/Account Number(s): P37510 P106035 P37512

A portion of the Northeast ¼ of the Northeast ¼ in 24-35-4

Subject to restrictions, encumbrances, easements and conditions of record.

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 One Hundred Thousand Dollars & No/100 (\$100,000.00) 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(s) 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. 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, on 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.



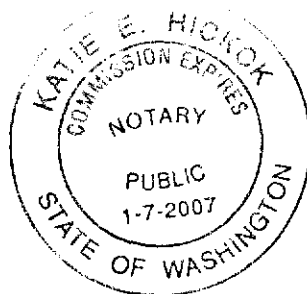
IT IS MUTUALLY AGREED THAT:

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 his 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 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.



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John Ellis, President

SUBSCRIBED AND SWORN TO before me by John Ellis, on this 2nd day of August, 2004.



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Exhibit A

PARCEL "A":

That portion of the Northeast 1/4 of the Northeast 1/4 of Section 24, Township 35 North, Range 4 East, W.M., described as follows:

Beginning at a point on the West line of the State Highway a distance of 379 feet North of the South line of said Northeast 1/4 of the Northeast 1/4;
thence West 146.5 feet;
thence South 120 feet;
thence East 146.5 feet;
thence North 120 feet to the point of beginning.

Situate in the County of Skagit, State of Washington.

PARCEL "B":

That portion of the Northeast 1/4 of the Northeast 1/4 of Section 24, Township 35 North, Range 4 East, W.M., described as follows:

Beginning at a point on the West line of State Highway right of way 172 feet North of the South line of said Northeast 1/4 of the Northeast 1/4;
thence North 87 feet, more or less, to the Southeast corner of that tract of land as conveyed to Albert J. Anderson and Hannah Anderson, by deed recorded December 17, 1953, under Auditor's File No. 496353, records of Skagit County, Washington;
thence West 146.5 feet to the Southwest corner of said Anderson Tract;
thence North 120 feet, more or less, to the Northwest corner of said Anderson Tract, said Northwest corner being 379 feet North of the South line of the Northeast 1/4 of the Northeast 1/4;
thence West 65.5 feet to a point 212.0 feet West of the West line of said State Highway right of way;
thence South parallel to the West line of said State Highway right of way a distance of 207 feet;
thence East 212 feet to the point of beginning,

EXCEPT the West 65.5 feet thereof.

Situate in the County of Skagit, State of Washington.

PARCEL "C":

The West 65.5 feet of the following described tract:

That portion of the Northeast 1/4 of the Northeast 1/4 of Section 24, Township 35 North, Range 4 East, W.M., described as follows:

Beginning at a point on the West line of State Highway right of way a distance of 172 feet North of the South line of said Northeast 1/4 of the Northeast 1/4;
thence North a distance of 87 feet, more or less, to the Southeast corner of that tract of land as conveyed to Albert J. Anderson and Hannah Anderson, by deed recorded December 17, 1953, under Auditor's File No. 496353, records of Skagit County, Washington;
thence West a distance of 146.5 feet to the Southwest corner of said Anderson Tract;
thence North a distance of 120 feet, more or less, to the Northwest corner of said Anderson Tract, said Northwest corner being 379 feet North of the South line of the Northeast 1/4 of the Northeast 1/4;
thence West 65.5 feet to a point 212.0 feet West of the West line of said State Highway right of way;
thence South parallel with the West line of State Highway right of way, a distance of 207 feet;
thence East a distance of 212 feet to the point of beginning.

Situate in the County of Skagit, State of Washington.



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Said Parcels "A", "B" and "C" are TOGETHER WITH a non-exclusive easement for ingress, egress and utilities over, under and across a 30 foot strip of land lying 15 feet on either side of the described centerline:

That portion of the Northeast 1/4 of the Northeast 1/4 of Section 24, Township 35 North, Range 4 East, W.M., described as follows:

Beginning at a point on the West line of State Highway 9 (Township Road), being 30.00 feet West of the centerline, 379 feet North of the South line of the Northeast 1/4 of the Northeast 1/4 of said Section 24; thence South along the West right of way of said State Highway, a distance of 15.00 feet to the true point of beginning of this line description; thence North 88 degrees 51'15" West, parallel to a line 379 feet North of the South line of said Northeast 1/4, a distance of 221.37 feet; thence South 44 degrees 42'45" West a distance of 100.84 feet; thence on a curve to the left, having a radius of 65.00 feet, which bears South 45 degrees 17'15" East, through a central angle of 44 degrees 42'45", an arc length of 50.72 feet; thence South a distance of 224.88 feet to a line 20 feet North of the North right of way of State Route 20 and the terminus of this line description.

EXCEPT any portion thereof which lies within Parcels "A", "B" and "C".

ALSO said Parcels "A", "B" and "C" are TOGETHER WITH a non-exclusive easement for the installation, construction, repair, replacement and maintenance of a sign over, under and across the East 10 feet of the South 10 feet of the following described property:

That portion of the Northeast 1/4 of Section 24, Township 35 North, Range 4 East, W.M., described as follows:

Beginning at the intersection of the West right of way line (40 feet from centerline) of Township Road with the North right of way line (75 feet from centerline) of Secondary State Highway No. 1-A; thence South 88 degrees 33'29" West, along the North line of said State Highway No. 1-A, a distance of 76.20 feet to a line 20 feet North of, as measured perpendicular to, the South line of the East one-third of the Northeast 1/4 of the Northeast 1/4 of said Section 24; thence North 88 degrees 51'15" West along said line 20 feet North of said Southerly line and parallel with said Southerly line, a distance of 188.90 feet to the true point of beginning; thence North 00 degrees 00'00" East a distance of 152.02 feet; thence South 88 degrees 51'15" East, parallel with said South line, a distance of 63.18 feet to a point that bears North 88 degrees 51'15" West and is 202.00 feet distant from the West line of said Township Road; thence North 00 degrees 00'00" East, parallel with said Township Road, a distance of 207.06 feet to a line that is 379 feet North of, as measured perpendicular to, the South line of said Northeast 1/4 of the Northeast 1/4; thence North 88 degrees 51'15" West, parallel with said South line, a distance of 204.98 feet to the West line of said East one-third of the Northeast 1/4 of the Northeast 1/4; thence South 00 degrees 17'16" East along said West line, a distance of 359.12 feet to a line that is parallel with and 20 feet North of, as measured perpendicular to, said South line of the East one-third of the Northeast 1/4 of the Northeast 1/4; thence South 88 degrees 51'15" East along said parallel line, a distance of 140.00 feet to the true point of beginning.

(Also known as Lot 2 of that Survey recorded July 12, 1991, under Auditor's File No. 9107129026, in Volume 11 of Surveys, pages 127 and 128, records of Skagit County, Washington).

Situate in the County of Skagit, State of Washington.



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