

Return Address:

Ronald D. Allen
Socius Law Group, PLLC
601 Union Street, Suite 4950
Seattle, Washington 98101



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Skagit County Auditor

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WASHINGTON STATE RECORDER'S COVER SHEET

Document Title(s) (or transactions contained therein): (all areas applicable to your document must be filled in) Deed of Trust
Reference Number(s) of Documents assigned or released: N/A
Grantor(s) (Last name, first name, initials) 1. Fazio, Gene Ronald
Grantee(s) (Last name first, then first name and initials) 1. Belles, Mark 2. Chicago Title Co., Trustee
Legal description (abbreviated: i.e. lot, block, plat or section, township, range) PORTION OF TRACT B, PLAT OF CASCADE RIVER PARK NO. 1, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 8 OF PLATS, PAGES 55 THROUGH 59, RECORDS OF SKAGIT COUNTY, WASHINGTON Complete legal description on Exhibit A of document.
Assessor's Property Tax Parcel/Account Number P63798
The Auditor/Recorder will rely on the information provided on the form. The staff will not read the document to verify the accuracy or completeness of the indexing information provided herein.

Deed of Trust

THIS DEED OF TRUST is made this 1st day of July, 2006, between GENE RONALD FAZIO, an individual dealing in his separate property ("Grantor"), whose address is 63882 East Cascade Drive, Marblemount, Washington 98267; CHICAGO TITLE INSURANCE COMPANY, a corporation ("Trustee"), whose address is 1700 Columbia Center, 701 Fifth Avenue, Seattle, Washington 98104; and MARK BELLES, an individual dealing in his separate property ("Beneficiary"), whose address is 95 Yesler Way, Second Floor, Seattle, Washington 98104.

WITNESSETH: Grantor hereby bargains, sells and conveys to Trustee in trust, with power of sale, the real property described on the attached Exhibit A, also known as Skagit County, Washington Tax Account No. P63798 (the "Property"), which 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 the obligations of Grantor under a Promissory Note dated on or about July 1, 2006 (the "Note") and each agreement of Grantor herein contained, and payment of the sum of Sixteen Thousand Five Hundred and no/100 Dollars (\$16,500.00) plus interest, in accordance with the terms of the Note, 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.
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 in reputable companies licensed to do



business in the State of Washington, or as the Beneficiary may approve, and shall 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. In the event the Property is sold, transferred, or conveyed by Grantor or any successor (including any actual or deemed transfer in the event of death or disability of Grantor), the entire amount of principal and interest owed under the Note and/or this Deed of Trust shall be immediately due and payable, without notice or demand by Beneficiary.

3. 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.

4. 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.

5. 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 such 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.

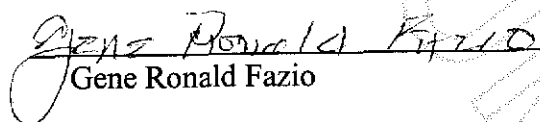
6. Trustee shall deliver to the purchaser at the sale its deed, without warranty, which shall convey to the purchaser the interest in the Property which Grantor had or had the power to convey at the time of his execution of this Deed of Trust, and such as he may have acquired thereafter. Trustee's deed 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.

7. 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.

8. 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.

9. 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.

GRANTOR:


Gene Ronald Fazio

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STATE OF WASHINGTON)

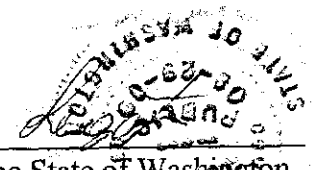
COUNTY OF)

KING)

SS.

On this 24 day of July, 2006, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Gene Ronald Fazio, to me known to be the individual who executed the within and foregoing instrument, and acknowledged the said instrument to be his free and voluntary act and deed, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and Official Seal the day and year first above written.


Notary Public in and for the State of Washington
Printed Name: IVANKA LEGAT
My appointment expires: 8-29-2008

Witness: Jary McCoy
600 1st Avenue, Suite 628
Seattle, WA 98104

Ivana Padilwa
600 1st. AVE NE ; Suite 616
Seattle WA. 98104



EXHIBIT A

LEGAL DESCRIPTION

THE FOLLOWING REAL PROPERTY, LOCATED IN SKAGIT COUNTY,
WASHINGTON:

PLAT OF CASCADE RIVER PARK NO 1, ACCORDING TO THE PLAT THEREOF
RECORDED IN VOLUME 8 OF PLATS, PAGES 55 THROUGH 59, RECORDS OF
SKAGIT COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS: THAT PORTION OF
TRACT B DESCRIBED AS COMMENCING AT THE MOST SOUTHERLY CORNER
COMMON TO SAID TRACT AND TO LOT 1 IN SAID PLAT, WHICH CORNER IS A
POINT ON A CURVE FROM WHICH THE CENTER LIES SOUTH 33-53-16 EAST AND
244.78 FOOT DISTANT; THENCE EASTERLY ALONG THE SOUTHERLY LINE OF
SAID TRACT AND ALONG SAID CURVE TO THE RIGHT THROUGH A CENTRAL
ANGLE OF 29-39-08 AN ARC DISTANCE OF 126.68 FOOT TO A POINT OF REVERSE
CURVATURE AND THE BEGINNING OF A CURVE TO THE LEFT WITH A RADIUS
OF 150.00 FEET; THENCE EASTERLY ALONG SAID SOUTHERLY LINE AND SAID
CURVE THROUGH A CENTRAL ANGLE OF 40-06-25 AN ARC DISTANCE OF 105.00
FOOT TO THE POINT OF BEGINNING; THENCE CONTINUING NORTHEASTERLY
AND NORTHERLY ALONG THE EASTERLY LINE OF SAID TRACT AND ALONG
SAID CURVE THROUGH A CENTRAL ANGLE OF 82-49-13 AN ARC DISTANCE OF
216.82 FEET TO A POINT OF COMPOUND CURVATURE AND THE BEGINNING OF A
CURVE TO THE LEFT WITH A RADIUS OF 20.00 FEET; THENCE NORTHERLY AND
WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 65-27-31 AN
ARC DISTANCE OF 22.85 FEET TO A POINT OF TANGENCY; THENCE SOUTH 77-22-
42 WEST ALONG THE NORTH LINE OF SAID TRACT 80.89 FEET; THENCE SOUTH
24-15-14 EAST 205.82 FEET TO THE POINT OF BEGINNING.

