

200708150041
Skagit County Auditor

8/15/2007 Page 1 of 6 9:50AM

Return Address:

LAW OFFICES OF LAURIN S. SCHWEET
2955 80th AVE SE, STE 102
Mercer Island WA 98040

DOCUMENT TITLE(S):

1. DEED OF TRUST
- 2.

TAX PARCEL NUMBER: 4 166-010-012-0007

LEGAL DESCRIPTION: Lot 12, Block 10, Replat of the Junction Addition to Sedro, according to the plat thereof recorded in Volume 3 of the plats, page 48, records of Skagit County. Situate in Skagit County, Washington.

GRANTOR(S) (Last name first, then first name and initials):

1. WILKINSON, WILLIAM T.
2. WILKINSON, SUSAN
- 3.

GRANTEE(S) (Last name first, then first name and initials):

1. PUGET SOUND LEASING CO., INC.
2. Rainier Foreclosure Services Inc
- 3.

4. _____ Additional names on page _____ of document.

After recording return to:

Puget Sound Leasing Co., Inc.
5150 Village Park Drive S.E #200
Bellevue, WA 98006

DEED OF TRUST

This DEED OF TRUST, made by and between William T. and Susan Wilkinson; husband & wife, GRANTOR, whose address is: 714 Reed Street, Sedro-Woolley, Washington 98284; and

Rainier Foreclosure Services, Inc., TRUSTEE, whose address is: c/o Law Offices of Laurin S. Schweet, 2955 80th Avenue S.E., Suite 102, Mercer Island, Washington 98040; and

Puget Sound Leasing Co., Inc., BENEFICIARY, whose address is: 5150 Village Dr. SE, Ste. 200, Bellevue, WA 98006.

Witnesseth: Grantor hereby bargains, sells and conveys to Trustee, in trust, with power of sale, right of entry and possession and for the benefit of Beneficiary, all of Grantor's right, title and interest in and to the following described real property located in Skagit County, State of Washington, and legally described as follows (the "Property"):

Lot 12, Block 10, Replat of the Junction Addition
to Sedro, according to the plat thereof recorded in
Volume 3 of the plats, Page 48, records of Skagit County.

Situated in Skagit County, Washington.

Tax Parcel Number: 166-010-012-0007

together with all improvements, tenements, hereditaments, and appurtenances now or hereafter thereunto belonging or in any way appertaining to the Property, and the rents, issues and profits thereof. The Property or its address is commonly known as 419 Highway 9, **Sedro Woolley, Washington, 98284.**

DEED OF TRUST - 1



200708150041
Skagit County Auditor

8/15/2007 Page

2 of

6 9:50AM

This deed of trust is for the purpose of securing performance by Grantor of the Lease Agreement between Grantor and Beneficiary dated _____, 2007, and the debt represented thereunder in the present amount of \$ Two hundred thousand five hundred dollars and 00/10 (\$200,500.00), and all renewals, modifications and extensions thereof, plus all interest thereon accruing at 7.93% per annum, plus all of Beneficiary's advances, costs, fees and expenses, and attorneys fees.

To protect the security of this Deed of Trust, Grantor covenants and agrees:

1. To keep the Property in good condition and repair; to complete any building, structure or improvement being built or about to be built thereon; to restore promptly any building, structure or improvements thereon which may be damaged or destroyed, and to comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting the Property.
 2. To not commit or suffer to be committed any waste or other willful damage to or destruction of the Property or any portion thereof. Grantor further agrees and warrants that, until full payment of all funds due Beneficiary, no logging or timber removal may be undertaken on the Property without the prior written consent of Beneficiary and Grantors shall not permit any hazardous or toxic substance, material or waste to be located upon or generated, stored, transported to or from, disposed of or used on the Property. Beneficiary shall have the right, at all reasonable times and hours, to inspect the Property to ascertain whether Grantor is complying with all of the terms, covenants and conditions of this paragraph.
 3. To pay before delinquent all lawful taxes and assessments upon the Property; and to keep the Property free and clear of all other charges, liens or encumbrances impairing the security of this Deed of Trust.
 4. 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 Property. All policies shall be in such companies as the Beneficiary may approve and have loss payable endorsements to the Beneficiary, as its interest may appear, and then to the Grantors. 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 Grantors in insurance policies then in force shall pass to the purchaser at the foreclosure sale.
 5. To defend any action or proceeding purporting to affect the security hereof or the rights or power of Beneficiary or Trustee, and to pay all costs, fees and expenses, including cost of title search and all attorney's fees of Beneficiary and Trustee in a reasonable amount, in any such action or proceeding.
 6. To pay all costs, fees and expenses of Beneficiary in connection with enforcement of the
- DEED OF TRUST - 2



200708150041
Skagit County Auditor

obligations of this Deed of Trust, or in any proceeding purporting to affect this Deed of Trust (including, but not limited to, any bankruptcy proceedings, appeals or post-judgment collection actions). These costs, fees and expenses shall include, but shall not be limited to, Beneficiary's attorney's fees and legal expenses, whether or not there is a lawsuit, the costs of searching records, costs of title search, surveyor reports, environmental studies and appraisal fees and fees for the Trustee and attorneys for the Trustee.

7. Should Grantor fail to pay when due taxes, assessments, insurance premiums, liens, encumbrances or other charges against the Property hereinabove described, or the costs, fees and expenses referenced above, 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 by this Deed of Trust.

IT IS MUTUALLY AGREED THAT:

8. In such 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.

9. If all or any part of the real estate described in the Deed of Trust referenced herein is sold or transferred without the prior written consent of Beneficiary, then all sums secured hereby, with any accrued interest thereon, shall at once become due and payable in full at the option of the Beneficiary.

10. 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.

11. 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 Grantors and the Beneficiary, or upon satisfaction of the obligation secured and written request for reconveyance made by the Beneficiary or any person entitled thereto.

12. Upon default by Grantor in the payment of any indebtedness secured hereby or in the performance of any agreement contained herein, Beneficiary shall have the right without notice to Grantor to take possession of and manage the Property and collect the rents including amounts past due and unpaid, and apply the net proceeds, over and above the Beneficiary's costs against the indebtedness. If furtherance of this right, Beneficiary may require any tenant or other user of the property to make payments of rent or use fees directly to Beneficiary. Beneficiary shall have the right to have a receiver appointed to take possession of the property, with the power to protect and preserve the property, to operate the property preceding or pending foreclosure or sale, and to collect the rents from the property and apply the proceeds, over and above the cost of the receivership, against the indebtedness. The receiver may serve without bond if permitted by law. Beneficiary's right to the appointment of a receiver shall exist whether or not the apparent value of the property exceeds the indebtedness by a substantial amount. Employment by Beneficiary shall

DEED OF TRUST - 3



200708150041
Skagit County Auditor

8/15/2007 Page

4 of

6 9:50AM

not disqualify a person from serving as receiver.

13. 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, with the accrued interest, shall immediately become due and payable at the option of the Beneficiary entitling Beneficiary to enforce, at its sole option and discretion, all of its rights and remedies. Further, 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 the 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; with (3) the surplus, if any, deposited with the court to be distributed to the persons entitled thereto.

14. 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 Grantors had or had the power to convey at the time of the 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.


15. 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.

16. 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 any action or proceeding which Grantors, Trustee and Beneficiary shall be a party unless such action or proceeding is brought by Trustee.

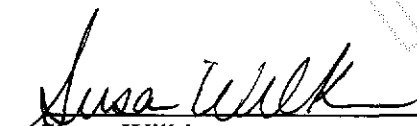
17. This Deed of Trust applies to, inures to the benefit of, and is binding not only on the parties hereto, but on their heirs, devisees, legatees, administrators, executors and assigns. The term Beneficiary shall mean the holder and owner of the note secured hereby, whether or not named as Beneficiary herein.

18. The Property is not used principally for agricultural or farming purposes,

SIGNED THIS 3RD DAY OF AUGUST, 2007.



William T. Wilkinson



Susan Wilkinson

DEED OF TRUST - 4



200708150041

Skagit County Auditor

8/15/2007 Page

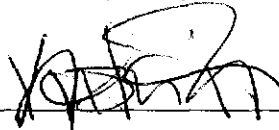
5 of

6 9:50AM

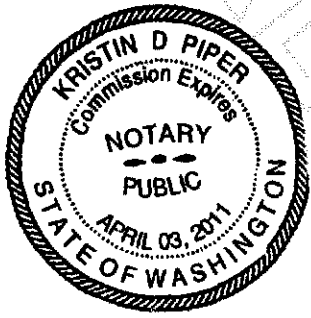
STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this ___ day of August, 2007, before me the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared WILLIAM WILKINSON and SUSAN WILKINSON, husband and wife, to me known to be the individuals described in and who executed the foregoing instrument and acknowledged to me that they signed and sealed the said instrument as their free and voluntary act and deed, for the uses and purposes therein mentioned.

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



(Print Name) Kristin Piper



NOTARY PUBLIC in and for the

State of Washington

Residing at King County

My Commission expires: 4/3/2011

