



200801180160

Skagit County Auditor

1/18/2008 Page

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Filed for Record at Request of:

Law Office of Skinner & Saar, PS
740 SE Pioneer Way
Oak Harbor, WA 98277

Tax Parcel No.: P110807

CHICAGO TITLE CO.

ACCOMMODATION RECORDING

DEED OF TRUST

THIS DEED OF TRUST, made this 21st day of DEC, 2007, between Lawrence D. Walker and Lori Anne Walker, Trustees of the Walker Family Living Trust, Grantor, whose address is 2706 Shannon Point Rd., Anacortes Washington 98221, DOUGLAS A. SAAR, Attorney at Law, Trustee, whose address is 740 SE Pioneer Way, Oak Harbor, Washington 98277, and Jeanne Longworth, Beneficiary, whose address is 2808 W. 2nd St., Anacortes, Washington 98221.

WITNESSETH: Grantors hereby bargain, sell and convey to Trustee in Trust, with power of sale, their interest in the following described real property in Island County, Washington:

The West Half of Lot 3 and all of Lots 4 and 5, Block 303, NORTHERN PACIFIC ADDITION TO ANACORTES, according to the plat thereof recorded in Volume 2 of Plats, pages 9 through 11, records of Skagit County, Washington;

(Also known as Lot G of Survey recorded in Volume 18 of Surveys, page 46, under Auditor File No. 9603280002, records of Skagit County, Washington).

Situated in Skagit County, Washington.

Chicago Title Company has placed
this document for recording as a
customer courtesy and accepts no
liability for its accuracy or validity

which property is not used principally for agricultural or farming purposes, together with all the tenements, hereditaments, and appurtenances now or hereafter thereto 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 \$100,000.00, with interest thereon from and after January 1, 2008, in accordance with the terms of a "Promissory Note" of dated December 21, 2007, executed by the grantor in favor of the Beneficiary, 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 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 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 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.

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 in enforcing the obligation secured hereby and Trustee's and attorney's fees actually incurred, as provided by statute.

6. Should Grantors fail to pay 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 thereof 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 Grantors 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 Grantors 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 sale, including a reasonable Trustee's fee and attorney's fee; (2) to the obligations 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 purchaser the interest in the property which Grantors 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 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.

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 Grantors, 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, successors and assigns. The term Beneficiary shall mean the holder and owner of the note secured hereby, whether or not named as Beneficiary herein.

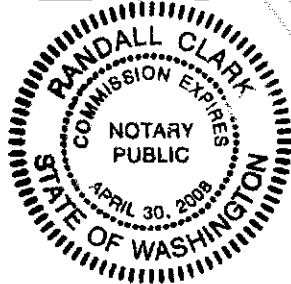
Lawrence D. Walker
Lawrence D. Walker, Trustee of the
Walker Family Living Trust

Lori Anne Walker
Lori Anne Walker, Trustee of the
Walker Family Living Trust

STATE OF WASHINGTON)
)ss.
County of ~~Island~~ Skagit)

I certify that I know or have satisfactory evidence that Lawrence D. Walker signed this instrument and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in the instrument, in his representative capacity as Trustee of the Walker Family Living Trust.

DATED this 3 day of January, 2008

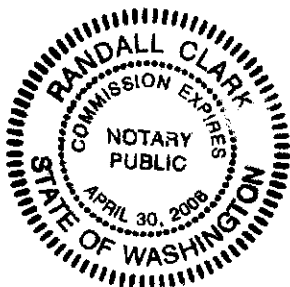


Randall Clark
NOTARY PUBLIC
Randall Clark
My Commission Expires: 4-30-08

STATE OF WASHINGTON)
)ss.
County of ~~Island~~ Skagit)

I certify that I know or have satisfactory evidence that Lori Anne Walker signed this instrument and acknowledged it to be her free and voluntary act for the uses and purposes mentioned in the instrument, in her representative capacity as Trustee of the Walker Family Living Trust.

DATED this 3 day of January, 2008



Randall Clark
NOTARY PUBLIC
Randall Clark
My Commission Expires: 4-30-08

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