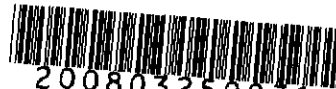


When Recorded Please Return To:
LAWRENCE A. PIRKLE
321 West Washington, Suite 300
Mount Vernon, WA 98273
(360) 336-6587



200803250071
Skagit County Auditor

3/25/2008 Page

1 of

4 12:29PM

This Space for Recorder's Use only

DEED OF TRUST

(For Use in the State of Washington Only)

Grantor: JOHN WORLINE and NOLANA WORLINE, husband and wife
Grantee: GARY G. WORLINE and CAROL J. WORLINE, husband and wife
Trustee: Land Title Company of Skagit County
Abbreviated Legals: OPEN SPACE #215 #751672 1972-TRF#813858 NE 1/4 NE 1/4 LESS RD.
SW1/4 SE1/4 O/S#3 #8002010021 1981.
Assessor's Tax Parcel Number: **P40092 350522-1-001-0005 & P50888 360506-4-004-0005**

THIS DEED OF TRUST, made this 20th day of March, 2008 between GRANTOR, JOHN WORLINE and NOLANA WORLINE, husband and wife, whose address is 787 S.R. 9, Sedro Woolley, Washington 98284, LAND TITLE COMPANY OF SKAGIT COUNTY, a corporation, TRUSTEE whose address is P.O. Box 445, Burlington, Washington 98233 and GARY G. WORLINE and CAROL J. WORLINE, husband and wife, BENEFICIARY, whose address is PO Box 1087, LaConner, Washington 98257.

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 Tax Parcel Number: **P40092 350522-1-001-0005**

The Northeast 1/4 of the Northeast 1/4 of Section 22, Township 35 North, Range 5 East, W.M., EXCEPT the North 20 feet thereof, AND EXCEPT road. Situate in the County of Skagit, State of Washington.

Assessor's Tax Parcel Number: **P50888 360506-4-004-0005**

The SW Quarter of the SE Quarter of Section 6, Township 36 North, Range 5 East, W.M., EXCEPT State Highway No. 9 and EXCEPT that portion lying within the Northern Railway right of way. Situate in the County of Skagit, State of Washington.

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 of Trust is for the purpose of securing performance of each agreement of Grantor(s) herein contained in this Deed of Trust, and payment of the sum of **One Hundred Thousand Dollars (\$100,000.)** 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 of the note, and also such further sums as may be advanced or loaned by Beneficiary to Grantor(s), or any of the Grantor(s)' successors or assigns, together with interest thereon at the rate 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 of the property, to complete any building, structure or improvement being built or about to be built on the property; to restore promptly any building, structure or improvement on the property 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.

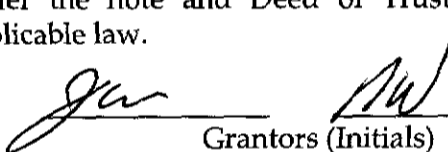
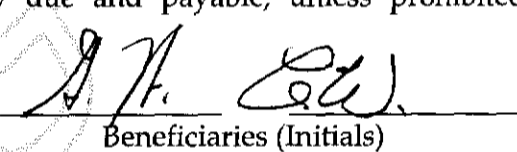
3. To keep all buildings now or hereafter erected on the property continuously insured against loss by fire or other hazards in an amount not less than the total debt secured by this Deed of Trust. All policies shall be held by the Beneficiary, and be in such companies as the Beneficiary may approve and have loss payable first to the Beneficiary, as its interest may appear, and then to the Grantor(s). The amount collected under any insurance policy may be applied upon any indebtedness secured by this Deed of Trust 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(s) 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 by this Deed of Trust and Trustee's and attorney's fees actually incurred, as provided by statute.

6. Should Grantor(s) fail to pay when due any taxes, assessments, insurance premiums, liens, encumbrances or other charges against the property. Beneficiary may pay the same, and the amount so paid, with interest at rate set forth in the note secured by this Deed of Trust, shall be added to and become a part of the debt secured in the Deed of Trust.

7. DUE ON SALE: (OPTIONAL – *Not applicable unless initiated by Grantor and Beneficiary*) the property described in this security instrument may not be sold or transferred without the Beneficiary's consent. Upon breach of this provision, Beneficiary may declare all sums due under the note and Deed of Trust immediately due and payable, unless prohibited by applicable law.

 Grantors (Initials)  Beneficiaries (Initials)

IT IS MUTUALLY AGREED THAT:

8. 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 by this Deed of Trust, shall be paid to Beneficiary to be applied to said obligation.

9. By accepting payment of any sum secured by this Deed of Trust 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.

10. 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 or the Grantor(s) and the Beneficiary, or upon satisfaction of the obligation secured and written request for reconveyance made by the Beneficiary or the person entitled thereto.

11. Upon default by Grantor(s) in the payment of any indebtedness secured by this Deed of Trust or in the performance of any agreement contained in this Deed of Trust, all sums secured by this Deed of Trust shall immediately become due and payable at the option of the Beneficiary subject to any cure period provided in the note secured by this Deed of Trust. 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; and (3) the surplus, if any, shall be distributed to the persons entitled thereto.



Skagit County Auditor

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 delivered to you herewith, together with the 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 _____ day of _____, 20_____.



200803250071
Skagit County Auditor