

**AFTER RECORDING RETURN TO:**

**Private Mortgage Investments  
P.O. Box 891  
Burlington, WA 98233**



200811260120  
Skagit County Auditor

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**DEED OF TRUST**

95859E

GUARDIAN NORTHWEST TITLE CO.

THIS **DEED OF TRUST**, made this 26 day of November, 2008, by and between, **Timothy Knutson and April Knutson, Trustees of the Knutson Trust** Grantor, whose mailing address is 16890 Allen West Road, Bow, WA. 98232; **FIRST AMERICAN TITLE COMPANY**, as Trustee, whose mailing address is P.O. Box 1667, Mount Vernon, WA 98273; and **LaVerne E. Krieger** Beneficiary, whose mailing address is 4818 New Woods Pl., Mount 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): P101399

Section 22, Township 36, Range 3; Ptn. NW SE & NE SW

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 Eighty Thousand Dollars & No/100 (\$80,000.00) 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.



7. In the event of the death, incapacity, disability, resignation or election of Beneficiary to re-appoint 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 against the Beneficiary or Grantor.
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 and assigns. The term Beneficiary shall mean the holder and owner of the note secured hereby, whether or not named as Beneficiary herein.


  
 Timothy Knutson, Trustee

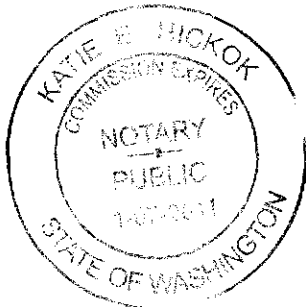
  
 April Knutson, Trustee

STATE OF WASHINGTON)  
 ) SS.  
 COUNTY OF Skagit

I certify that I know or have satisfactory evidence that Timothy & April Knutson, to me known to be the Trustees described in and who executed the within and foregoing instrument, and acknowledged that to me that he signed the same as his free and voluntary act and deed for the uses and purposes therein mentioned.

**SUBSCRIBED AND SWORN TO** before me by Timothy & April Knutson, on this 20<sup>th</sup> day of November, 2008.

  
 NOTARY PUBLIC  
 State of Washington  
 My commission expires: 1-7-11



**Schedule "C"**  
**Legal description**

The land referred to in this report/policy is situated in the State of Washington, County of Skagit, and is described as follows:

That portion of the Northwest 1/4 of the Southeast 1/4 and of the Northeast 1/4 of the Southwest 1/4 of Section 22, Township 36 North, Range 3 East, W.M., described as follows:

BEGINNING at the Northwest corner of said Northwest 1/4 of the Southeast 1/4 (center of Section 22); thence South 89 degrees 34' 13" East 634.00 feet along the North line of said Northwest 1/4 of the Southeast 1/4; thence South 45 degrees 36' 24" West, parallel with a line run between the Northeast corner of said Northwest 1/4 of the Southeast 1/4 to the Southwest corner of said Northwest 1/4 of the Southeast 1/4, 1174.88 feet to the toe of the hill which defines the uplands to the Northeast, identified on Skagit County Comprehensive plan dated November 1, 1999 as Rural Reserve (RRV) and the lowlands to the Southwest, identified on Skagit County Comprehensive Plan dated November 1, 1999 as Natural Resource Land (AG-HRL) Agriculture-NRL; thence along said toe of the hill, also being the land use boundary line as follows, North 66 degrees 52' 17" West 28.95 feet; thence North 43 degrees 23' 01" West 49.86 feet; thence North 12 degrees 45' 24" West 137.84 feet; thence North 7 degrees 52' 52" East 41.42 feet; thence North 41 degrees 08' 40" West 59.17 feet; thence North 76 degrees 34' 16" West 57.00 feet; thence North 80 degrees 10' 05" West 20.15 feet; thence North 30 degrees 36' 18" West 40.69 feet; thence North 64 degrees 26' 26" West 64.64 feet; thence North 81 degrees 20' 36" West 76.90 feet; thence North 19 degrees 08' 20" West 72.80 feet; thence North 64 degrees 30' 34" East 74.20 feet; thence North 23 degrees 37' 20" West 46.76 feet, more or less, to the Northwesterly line of that certain Parcel "B" described on Quit Claim Deed to Gail M. Anderson, Kim T. Zackariasen and David C. Hasselberg, recorded under Skagit County Auditor's File No. 9808260087 and being more particularly shown on that certain record of survey map recorded in Volume 20 of Surveys, Pages 141-142, records of Skagit County and bearing South 58 degrees 49' 33" West from the POINT OF BEGINNING; thence North 58 degrees 49' 33" East along said Northwesterly line 626.56 feet, more or less, to the POINT OF BEGINNING.

SUBJECT TO and TOGETHER WITH a 60.00-foot wide non-exclusive mutually beneficial easement for ingress, egress and utilities described as follows:

A 60 foot wide easement for ingress, egress and utilities over, under and across a portion of the Northwest 1/4 of the Southeast 1/4 and a portion of the Northeast 1/4 of the Southwest 1/4 of Section 22, Township 36 North, Range 3 East, W.M., said easement being 30.00 feet right and 30.00 feet left of the following described centerline:

Commencing at the Northwest corner of the Northwest 1/4 of the Southeast 1/4 of said Section 22 (center of section); thence South 0 degrees 25' 37" East 1303.90 feet along the West line of said Northwest 1/4 of the Southeast 1/4 to the Southwest corner of said Northwest 1/4 of the Southeast 1/4 of Section; thence North 45 degrees 36' 24" East 248.72 feet along a line run from said Southwest corner of the Northwest 1/4 of the Southeast 1/4 to the Northeast corner of said Northwest 1/4 of the Southeast 1/4 to the true point of beginning; thence North 19 degrees 09' 39" West 8.36 feet; thence North 29 degrees 22' 51" West 263.33 feet; thence North 40 degrees 28' 05" West 218.24 feet; thence North 34 degrees 00' 24" West 232.82 feet; thence North 56 degrees 13' 26" West 70.68 feet; thence North 73 degrees 49' 42" West 267.96 feet; thence North 61 degrees 15' 34" West 48.63 feet; thence North 27 degrees 37' 35" West 41 feet, more or less to the Northeasterly line of that certain Parcel B described in Quit Claim Deed to Gail Marine Anderson, Kim T. Zackariasen and David C. Hasselberg, recorded under Skagit County Auditor's File No. 9808260087 and being the terminus of said centerline.



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