

WHEN RECORDED RETURN TO:

Errol Hanson Funding, Inc.
PO Box 508
Sedro Woolley, WA 98284



200909030063

Skagit County Auditor

9/3/2009 Page 1 of 10 1:15PM

Grantor.	Anderson, Judy and Goodwin, Peggy
Grantee.	Errol Hanson Funding, Inc.
Abbrev. Leg.	Ptn NE ¼ of NW ¼ of Sec 29, T5N, R6E, WM
	Ptn of W ½ of Tract 5, Plat of the Burlington Acreage Property, Vol 1, p. 49
Tax Account Nos.	350629-0-011-0007/P41987; 350629-0-006-0004/P41980; 3867-000-005-0001/P62278

Deed of Trust

THIS DEED OF TRUST, is made this 31 day of August, 2009, between JUDY K. ANDERSON, a single woman, and PEGGY ANN GOODWIN, a single woman, GRANTORS, whose address is 418 Cazador Lane, CA 92672, LAND TITLE COMPANY, whose address is 111 East George Hopper Road, PO Box 445, Burlington, WA 98233, and ERROL HANSON FUNDING, INC., a Washington corporation, as BENEFICIARY, whose address is P.O. Box 508, Sedro Woolley, Washington 98284.

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

See EXHIBIT A, which is attached hereto and incorporated by this reference,
For full Legal Description.

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.

PEGGY ANN GOODWIN executes this deed of trust as Grantor ONLY as to Parcel 1, described on EXHIBIT A. JUDY K. ANDERSON executes this deed of trust as Grantor as to BOTH Parcel 1 and Parcel 2 described on EXHIBIT A.

This deed is for the purpose of securing performance of each agreement of grantors herein contained, and payment of the sum of Two Hundred Five Thousand Five Hundred Fifty Four Dollars and Eighty-Two Cents (\$205,554.82), 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 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 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, 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. 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 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 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 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.



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.

9. **PERSONAL PROPERTY ENCUMBERED AND SECURITY AGREEMENT.**

All personal property and fixtures used in connection with operating, possessing and/or enjoying the premises, whether attached or unattached thereto including all personal property hereinafter acquired by Grantor or any subsequent owner of the premises in addition to, substitution for, or replacement of any personal property now in, or used in connection with the premises. This instrument shall constitute a security agreement with respect to any and all of the above included personal property. At the request of the beneficiary, the Grantor shall join in executing one or more financing statements pursuant to the Uniform Commercial Code, in a form satisfactory to the Beneficiary, and will pay for filing the same in the proper public office or offices.

10. **HAZARDOUS SUBSTANCES.** Grantor shall not cause or permit the presence, use, disposal, storage or release of any hazardous substance on or in the premises. Grantor shall not do, nor allow anyone else to do anything, or anything affecting the property, that is in violation of any environmental law. The preceding two sentences shall not apply to the presence, use, or storage on the property of small quantities of hazardous substances that are generally recognized as appropriate for the normal maintenance of the property. The Grantor shall promptly give Beneficiary written notice of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the property and any hazardous substance or environmental law of which the Grantor has actual knowledge. If the Grantor learns, or is notified by any governmental or regulatory authority, that any removal or other remediation of any hazardous substance affecting the property is necessary, the Grantor shall promptly take all necessary remedial actions in accordance with environmental law.

11. **ASSIGNMENT OF RENTS AND PROFITS.** As additional security under this deed of trust, Grantor hereby absolutely and unconditionally assigns and transfers to Beneficiary all the income, rents, royalties, revenue, issues, profits, and proceeds of the property, hereafter called "the rents," whether now due, past due, or to become due, and hereby confers upon and gives to Beneficiary the right, power, and authority during the continuance of the interest created by this deed of trust to do any or all of the following:

(a) To collect the issues, rents, and profits of the premises, reserving to Grantor the right, prior to any default by the Grantor in payment of any indebtedness secured by this deed of trust, to collect and retain all rents, issues and profits as they become due and payable.

(b) On any such default, the Beneficiary may at any time without notice, either in



person, by agent, or by court appointed receiver, and without regard to the adequacy of any security for the indebtedness secured, enter on and take possession of the premises, or any part of the premises, in its own name sue for or otherwise collect the rents, issues and profits less costs and expenses of operation and collection, including reasonable attorney's fees, on any indebtedness secured by this deed of trust, and in such order as the Beneficiary may determine. Grantor agrees that on any such default, upon demand by the Beneficiary, Beneficiary's agent, or receiver to immediately deliver possession of the premises to Beneficiary, agent, or receiver and provide said Beneficiary, agent, or receiver with all books, accounting records, and other records maintained in the operation of any business on the premises.

(c) The entering and taking possession of the premises, the collection of rents, issues and profits, and the application of rents, issues, and profits as stated herein, shall not cure or waive any default or notice of default under the provisions of this deed of trust or invalidate any act done pursuant to such notice.

(d) It is agreed that neither the assignment of rents to the Beneficiary, nor the exercise by the Beneficiary of any of its rights or remedies under the covenants of this Deed of Trust, nor the appointment of a receiver or possession of the property by a receiver shall make the Beneficiary a "mortgagee-in-possession" or otherwise responsible or liable in any manner with respect to the property or the use, occupancy or enjoyment or operation of all or any portion thereof.

(e) This assignment of rents is intended to be perfected, absolute, and choate upon the recording.

12. APPOINTMENT OF RECEIVER. During any default under this deed of trust or the note it secures, the Beneficiary shall be entitled to appointment of a receiver, either separately or in an action to foreclose this deed of trust. Grantor stipulates that the Beneficiary shall have the absolute right to the appointment of a receiver of the premises covered by this deed of trust, including all the income, profits, issues, and revenues from whatever source derived, without notice and without regard to the adequacy of any security for the indebtedness secured, any waste or deterioration of the property. If in default, Grantor agrees that it will, upon demand by Beneficiary, immediately provide to the Beneficiary, agent or receiver, all books, accounting records and any other records kept in the operation of any business operated on the property and shall immediately deliver possession of the property to Beneficiary, Beneficiary's agent or receiver so that Beneficiary, Beneficiary's agent, or receiver may thereafter operate any business on the premises and collect all income, profits, issues and revenues from whatever source derived. The receiver shall have the full rights to operate any business on said premises and incur such costs and expenses of operation and collection therefor, including reasonable fees for the receiver and reasonable attorney's fees. In addition to all the rights customarily given to and exercised by such a receiver, the receiver shall have the all rights and powers granted to the Beneficiary by the covenants herein. Once appointed, at the Beneficiary's option, such receiver may remain in place until all amounts secured hereby are paid in full.

13. DUE ON SALE. If all or any part of the property described in this Deed of Trust, or any interest therein, is sold or transferred without the prior written consent of the
AndersonGoodwin/HansonFunding/DT 082509 5



200909030063
Skagit County Auditor

DATED this 31 day of August, 2009

Peggy Ann Goodwin
PEGGY ANN GOODWIN

On this day personally appeared before me JUDY K. ANDERSON, to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that she signed the same as her free and voluntary act and deed, for the uses and purposes therein mentioned.

Print Name: _____
 NOTARY PUBLIC in and for the State of Washington,
 residing at _____

6 of 10 1:15PM

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Orange

On 8/31/2009 before me, MARY J. PENNINGTON, NOTARY PUBLIC

personally appeared

Peggy Ann Goodman and
Judy Rae Anderson

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

Mary J. Pennington
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

- ☐ Individual
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Attorney in Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

Signer Is Representing: _____

RIGHT THUMBPRINT
OF SIGNER
Top of thumb here

Signer's Name: _____

- ☐ Individual
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Attorney in Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

Signer Is Representing: _____

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OF SIGNER
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200909030063

Skagit County Auditor

PEGGY ANN GOODWIN

STATE OF WASHINGTON)

: ss.

COUNTY OF SKAGIT)

On this day personally appeared before me PEGGY ANN GOODWIN, to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that she signed the same as her free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this _____ day of _____, 2009.

Print Name: _____
NOTARY PUBLIC in and for the State of Washington,
residing at _____

My commission expires: _____

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 _____, 2 _____



EXHIBIT A
Legal Description

Parcel 1

350629-0-011-0007/P41987 and 350629-0-006-0004/P41980

PARCEL "A":

That portion of the Northwest $\frac{1}{4}$ of the Northeast $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of Section 29, Township 35 North, Range 6 East, W.M., described as follows:

Beginning at the Northwest corner of that certain tract conveyed to Charlotte L. Pursche and Camille Jaquith by instrument dated April 18, 1968, recorded April 24, 1968, under Auditor's File No. 712893, said point being on the Easterly line of the County Road and 528.7 feet, more or less, North of the South line of said Northwest $\frac{1}{4}$ of the Northeast $\frac{1}{4}$ of the Northwest $\frac{1}{4}$;
thence Easterly along the North line of said Pursche-Jaquith Tract, 140 feet to the Northeast corner thereof;
thence Northerly parallel with the East line of said County Road, 113.17 feet, more or less, to the South line of the County Road, which runs along the North line of said subdivision;
thence West along the South line, 140 feet to its intersection with the Easterly line of the County Road along the West line of said subdivision;
thence Southerly along said County Road, 114.31 feet, more or less, to the point of beginning.

Situate in the County of Skagit, State of Washington.

PARCEL "B":

That portion of the Northwest $\frac{1}{4}$ of the Northeast $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of Section 29, Township 35 North, Range 6 East, W.M., described as follows:

Beginning at a point on the East line of the County Road, 328.7 feet North of the South line of said Northwest $\frac{1}{4}$ of the Northeast $\frac{1}{4}$ of the Northwest $\frac{1}{4}$;
thence East 140 feet;
thence Northerly parallel to the East line of said County Road, 200 feet;
thence West 140 feet to the East line of said County Road;
thence South along the East line of said County Road to the point of beginning.

Situate in the County of Skagit, State of Washington.



Exhibit A continued

Parcel 2

3867-000-005-0001/P62278

That part of the East 374 feet of the West $\frac{1}{2}$ of Tract 5, "PLAT OF THE BURLINGTON ACREAGE PROPERTY", as per plat recorded in Volume 1 of Plats, page 49, records of Skagit County, Washington, that lies North of the County road (now State Highway) right of way, EXCEPT a portion thereof described as follows:

Beginning at the Northwest corner of the East 374 feet of the West $\frac{1}{2}$ of said Tract 5;
thence South parallel with the East line of said West $\frac{1}{2}$ of Tract 5 to intersect with the North right of way line of the County road (now State Highway);
thence Northeasterly along said right of way 106 feet;
thence due North to the North line of said Tract 5;
thence West to the point of beginning.

TOGETHER WITH the portion of an unnamed street adjoining the North boundary thereof, which upon vacation reverted to said premises by operation of law.

Situate in the County of Skagit, State of Washington.

