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Skagit County Auditor

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WHEN RECORDED RETURN TO:

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9715 - 23rd Avenue NW
Seattle, WA 98117

DOCUMENT TITLE: DEED OF TRUST

GRANTOR: 1. KIRKPATRICK, BEV L.

GRANTEES: 1. DUNTON, GREGORY K.
2. DUNTON, DOREEN K.

LEGAL DESCRIPTION: PTN NW 1/4 OF SW 1/4, 12-34-1 E W.M.,
AKA TR. D, SP 41-74.

TAX ACCOUNT NUMBER(S): 340112-3-005-0004

DEED OF TRUST

(For Use in the State of Washington Only)

THIS DEED OF TRUST, made this 15th day of January, 2010, between BEV L. KIRKPATRICK, GRANTOR, whose address is 13586 Donnell Road, Anacortes, Washington 98221, LAND TITLE COMPANY, a corporation, TRUSTEE, whose address is 3010 Commercial Ave. Anacortes, Washington 98221, and GREGORY K. DUNTON and DOREEN K. DUNTON, husband and wife, BENEFICIARY, whose address is 5000 Sharpe Road, Anacortes, Washington 98221.

W I T N E S S E T H :

Grantor hereby irrevocably grants and conveys to Trustee, in Trust, with power of sale, the following described real property in Skagit County, Washington:

Tract D of Skagit County Short Plat No. 41-74, approved August 20, 1974, and recorded August 20, 1974, under Auditor's File No. 805179, records of Skagit County, Washington, being a portion of the North 1/2 of the Northwest 1/4 of the Southwest 1/4 of Section 12, Township 34 North, Range 1 East, W.M.,

EXCEPT that portion conveyed by deed recorded on August 8, 2002, under Auditor's File No. 200208080112, records of Skagit County, Washington, described as follows:

Beginning at a point on the West line of said Section 12, South 0°30'31" West, 541.31 feet from the Northwest corner of said Southwest 1/4 of Section 12;
thence North 0°30'31" East along said West line 136.41 feet to an intersection with the South line of the North 66 feet of the Southwest 1/4 of the Northwest 1/4 of the Northwest 1/4 of the Southwest 1/4 of Section 12;
thence South 87°29'54" East along said South line, a distance of 200 feet;
thence South 0°30'31" West and parallel with the West line of said Tract D, a distance of 136.41 feet to the South line of said Tract D;
thence North 87°29'54" West along said South line, a distance of 200 feet to the true point of beginning, all situate in Skagit County, Washington.

Tax Parcel Number: 340112-3-005-0004

If all or any part of the property or any interest in it is sold or transferred without the Beneficiary's prior written consent, Beneficiary may, at its option, require immediate payment in full of all sums secured by this Security Agreement.

This Deed of Trust is subordinate to that Deed of Trust dated March 5, 2007, and recorded under Recording No. 200703130128.

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 herein contained, and payment of the



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sum of TWO HUNDRED THIRTY THOUSAND and 00/100 DOLLARS (\$230,000.00) 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. The full debt, if not paid earlier, is due and payable April 1, 2037.

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; and (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.



