

AFTER RECORDING MAIL TO:



201001280055  
Skagit County Auditor

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Name: Escrow Legal Services

Address: 1616 Cornwall Avenue, Suite 119

City, State, Zip: Bellingham, WA 98225

Filed for Record at Request of: Escrow Legal Services

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CHICAGO TITLE CO. **DEED OF TRUST**  
620004901 (For use in the state of Washington only)

*a*  
Grantor(s) Jonathon Collord

Grantee(s) Dan C. Derby and Leann Derby

Trustee: Chicago Title Company

Abbreviated Legal: Ptn. NE SW 8-35-11

Assessor's tax parcel/Account Nos: 351108-3-001-0001 / P45994

*a*  
THIS DEED OF TRUST, made this 8<sup>th</sup> day of, January, 2010, between Jonathon Collord, GRANTOR(S), whose street address is 14201 29<sup>th</sup> Avenue SE, Bothell, WA 98012. Chicago Title Company, TRUSTEE, whose street address is 425 Commercial Street, Mount Vernon, WA 98273, and Dan C. Derby and Leann Derby, BENEFICIARY, whose street address is 122 Buckeye Drive, Colorado Springs, CO 80919

WITNESSETH: Grantor(s) hereby bargain(s), sell(s), and convey(s) to Trustee in trust, with power of sale, the following described real property in Skagit County, Washington:

See Attached Legal Exhibit A

which real property is not used principally for agricultural purposes, together with all the tenements, hereditaments, and appurtenances now or hereafter belonging or in any way appertaining, and the rents, issues, and profits. of the property.

This Deed of Trust is for the purpose of securing performance of each agreement of Grantor(s) contained in this Deed of Trust, and payment of the sum of One Hundred Ten Thousand Two Hundred Fifty Dollars (\$110,250.00), with interest, in accordance with the terms of a promissory note of even date herewith, payable to Beneficiary or order, and made by Grantor(s), 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.

**DUE DATE:** The entire balance of the promissory note secured by this Deed of Trust, together with any and all interest accrued thereon, shall be due and payable in full on February 1<sup>st</sup>, 2017.

To protect the security of this Deed of Trust, Grantor(s) covenant(s) and agree(s):

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.

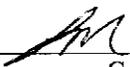
3. To keep all buildings now or hereafter erected on the property continuously insured against loss by fire or other hazards in an amount not less than the total debt secured by this Deed of Trust. All policies shall be held by the Beneficiary, and be in such companies as the Beneficiary may approve 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.

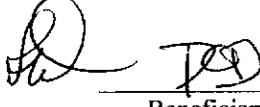
4. To defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee, and to pay all costs and expenses, including cost of title search and attorney's fees in a reasonable amount, in any such action or proceeding, and in any suit brought by 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 the 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 this Deed of Trust.

7. DUE ON SALE: (OPTIONAL - *Not applicable unless initialed 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.

  
\_\_\_\_\_  
Grantor (Initials)

  
\_\_\_\_\_  
Beneficiary (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 of 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.

12. Trustee shall deliver to the purchaser at the sale its deed, without warranty, which shall convey to the purchaser all right, title and interest in the real and personal property which Grantor(s) had or had the power to convey at the time of the execution of this Deed of Trust, and such as Grantor(s) 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.

13. 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.

14. In the event of the absence, death, incapacity, disability, or resignation of Trustee, or at the discretion of the Beneficiary, 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 an action or proceeding in which Grantor(s), Trustee, or Beneficiary shall be a party unless such action or proceeding is brought by the Trustee.

15. This Deed of Trust applies to, inures to the benefit of, and is binding not only on the parties hereto, but on his/her/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.



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16. ADDITIONAL TERMS AND CONDITIONS: (check one)

a. ( ) NONE

OR

b. (X) As set forth on the attached "Exhibit B" which is incorporated by this reference.

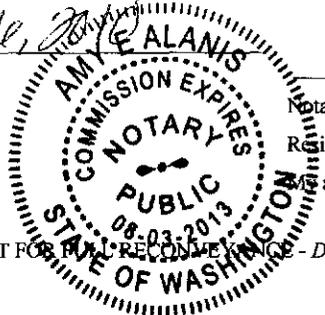
Dated: Jan. 26, 2010

Jon Colard

STATE OF Washington  
COUNTY OF Skagit )-ss

I certify that I know or have satisfactory evidence that Jonathan Coliard  
(is/are) the person(s) who appeared before me, and said person(s) acknowledged that (he/she/they) signed this instrument and acknowledged it to be (his/her/their) free and voluntary act for the uses and purposes mentioned in this instrument.

Dated: Jan. 26, 2010



Notary Public in and for the state of Washington  
Residing at Bellingham  
My appointment expires: 8-3-2013

TO: TRUSTEE  
REQUEST FOR FULL RECORDS KNOWLEDGE - Do not record. To be used only when note has been paid.

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: \_\_\_\_\_



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## EXHIBIT A

That portion of the Northeast Quarter of the Southwest Quarter of Section 8, Township 35 North, Range 11 East of the Willamette Meridian, lying Northerly of the right-of-way of State Highway;

EXCEPT that portion thereof lying within the boundaries of the following described tract:

Beginning at a point where the West boundary of Government Lot 3 in said Section 8 intersects the North bank of the Cascade River;

Thence North along the West line of Lot 3, 669.6 feet, more or less to the Northwest corner of said Lot 3;

Thence North 292 feet along the West line of the said Northeast Quarter of the Southwest Quarter;

Thence East 660 feet;

Thence South 524.6 feet, more or less, to the North bank of the Cascade River;

Thence along the North bank of the Cascade River to the point of beginning.

Situated in Skagit County, Washington

Parcel # P45994 / 351108-3-001-0001



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# EXHIBIT B

## ADDENDUM/AMENDMENT TO PURCHASE AND SALE AGREEMENT

The following is part of the Purchase and Sale Agreement dated June 9, 2009  
between Jonathan Collard ("Buyer")  
and Dan & Leann Derby ("Seller")  
concerning xxx Cascade River Road (P45994), Marblemount, Washington 98267 ("the Property")

### IT IS AGREED BETWEEN THE SELLER AND BUYER AS FOLLOWS:

- (a) Land Use - It is to be fully understood that the Buyer(s) of this property are governed by the fact that this entire parcel is registered with Skagit County as "Timber Land" which places it in a special taxation category. This special taxation category is only maintained if the owner of this land keeps it in a state of timber with no development on it. Should the Buyer(s) want to develop any part of all of this land for a residential or other use, other than growing timber, then the Buyer(s) shall be responsible for the back payment of all taxes associated with this change of venue. It is understood and accepted by the Buyer(s) that at no time will the Seller(s) be liable for any back taxes resulting from the change of use of this parcel of land should the Buyer(s) default and/or change the land use.
- (b) The harvesting of any timber on shall only be granted in writing from the Seller(s) prior to the final payment for this land parcel. When, and if, any timber is harvested, the proceeds from this harvest shall be deposited into an escrow account, until the satisfactory completion of this purchase contract.
- (c) The Buyer(s) shall not modify or grant any easements across or go this land without the expressed written consent of the Seller(s). There is a road easement through the property for access to additional homes beyond this property, and to a gravel pit operation, but the idea of widening this road for any commercial use shall not be granted to anyone by the Buyer(s) at any time until this land is paid for...at this point in time, the Buyer(s) may do anything they want to with their land once the purchase price has been paid in full.
- (d) The Buyer(s) shall secure a useability insurance policy of a minimum of \$1-million and keep this in force for the duration of this land purchase contract naming the Seller(s) as the beneficiaries of this policy. Failure to maintain this insurance policy in force shall constitute a breach of this purchase contract.
- (e) The Seller(s) would specify that Trust Accounting in Anacortes, Washington, be appointed by them to be the recipient of each monthly payment, and that when all taxes and insurances are paid, the residual of the monthly payment shall be forwarded to them. Trust Accounting shall collect a small monthly service fee from both the Buyer(s) and the Seller(s) and for this, they shall furnish a year end statement to both outlining the balance remaining on the purchase price, the principal and interest paid, insurance payments made, and taxes paid for annual tax purposes.

All of the above stipulations shall be subject to additional modification to make them concurrent with current real estate law, land use law, and correct legal terminology by Escrow Legal Services, acceptable to both the Seller(s) and the Buyer(s).

ALL OTHER TERMS AND CONDITIONS of said Agreement remain unchanged.

AGENT (COMPANY) Keller Williams International Realty

BY: *Dr. Shigga Metzger 10 Jun 09*

Initials: BUYER: *JC* DATE: 6/18/09 SELLER: *LD* DATE: June 09  
BUYER: \_\_\_\_\_ DATE: \_\_\_\_\_ SELLER: *LD* DATE: June 09



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