When recorded return to:

George H. Jones 215 Carter Street Sedro Woolley, WA 98284



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Filed for Record at Request of Land Title and Escrow
Escrow Number: 136377-OE

Grantor: Larry J. Campbell and Celia M. Campbell

Beneficiary:

### DEED OF TRUST

(For use in the State of Washington only)

THIS DEED OF TRUST, made this 12th day of May, 2010 between LARRY J. CAMPBELL and CELIA M. CAMPBELL, husband and wife, GRANTORS, whose address is 207 Carter Street , Sedro Woolley, WA 98284, Land Title and Escrow, TRUSTEE, whose address is P.O. Box 445, 111 East George Hopper Road, Burlington, WA 98233 and GEORGE F. JONES and JUDY JONES, husband and wife BENEFICIARY, whose address is 215 Carter Street , Sedro Woolley, WA 98284.

WITNESSETH: Grantor hereby bargains, sells, and conveys to Trustee in trust, with power of sale, the following described real property in Skagit County, Washington:

Abbreviated Legal: Ptn NE 1/4 Of NW 1/4, 19-35-5 E W.M.

## SEE ATTACHED EXHIBIT "A" HERETO FOR LEGAL DESCRIPTION

Tax Parcel Number(s): 350519-0-099-0005, P39548

which real property is not used principally for agricultural 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 of the property.

This Deed of Trust is for the purpose of securing performance of each agreement of Grantors herein contained in this Deed of Trust, and payment of the sum of TWO HUNDRED FORTY SEVEN THOUSAND FIVE HUNDRED AND NO/100 Dollars (\$247,500.00) 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 of the note, and also such further sums as may be advanced or loaned by Beneficiary to Grantors, or any of the Grantors' 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 **June 15**, 2015.

To protect the security of this Deed of Trust, Grantors covenant and agree:

- 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 Grantors. 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 Grantors 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 Grantors 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 (In

# 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 Grantors 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 Grantors 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 Grantors had or had the power to convey at the time of the execution of this Deed of Trust, and such as Grantors 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 Grantors, 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

16. ADDITIONAL TERMS AND CONDITIONS: (check one)

NONE a.

OR

As set forth on the attached "Exhibit A" which is incorporated by this reference. b.

(Note: If neither "a" nor "b" is checked, then option "a" applies)

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Dated: May 12, 2010
Larry J. Campbell Celia M. Campbell  Celia M. Campbell
State of Washington Skagit SS:
I certify that I know or have satisfactory evidence that Larry J. Campbell and Celia M. Campbell the person(s) who appeared before me, and said person(s) acknowledged that signed this instrument and acknowledge it to be their free and voluntary act for the uses and purposes mentioned in this instrument.  Dated: May 2 2010
Karen Ashley Notary Public in and for the State of Washington Residing at: Sedro-Woolley My appointment expires: 9/11/2010  PUBLIC OF WASHINGTON FULL RECONVEYANCE  OF WASHINGTON 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,

201005270067 Skagit County Auditor

Schedule "A-1"

136377-OE

### DESCRIPTION:

That portion of the Northeast ¼ of the Northwest ¼ of Section 19, Township 35 North, Range 5 East, W.M., described as follows:

Beginning at a point 200 feet west of the Northeast corner of the Northwest ¼ of said Section 19; thence West 380 feet;

thence South to the North line of the former Great Northern Railroad right-of-way;

thence Northeasterly along the North line of said railway to a point due South of the point of beginning; thence North to the point of beginning.

EXCEPT State Highway 20 and road rights-of-way, also

EXCEPT that portion described as follows:

Beginning at a point on the North line of said Northwest ¼, which point bears South 88°37'00" East (described as being East in adjacent deeds of record), a distance of 1,745.07 feet from the Northwest corner of said Northwest ¼ of Section 19, and bears North 88°37'00" West a distance of 580.00 feet from the Northeast corner of said Northwest ¼;

thence South 01°20'00" West (described as being South 00°03'00" East in adjacent deeds of record), along a line which is parallel to the West line of said Northwest ¼, a distance of 599.82 feet to a point on the North line of State Highway 20;

thence North 54°20'32" East along the North line of said State Highway 20 a distance of 332.33 feet to the TRUE POINT OF BEGINNING of this excepted parcel;

thence continuing North 54°20'32" East the North line of said State Highway 20 a distance of 155.00 feet:

thence North 35°39'28" West a distance of 155.00 feet;

thence South 54°20'32" West a distance of 110.00 feet;

thence South 35°39'28" East a distance of 155.00 feet to the TRUE POINT OF BEGINNING.;

ALSO, EXCEPT a triangular tract beginning at the point where the West line of the above described excepted parcel intersects the North line of State Highway 20; thence Southwesterly, along the North line of said State Highway 20 a distance of 51 feet; thence Northerly in a direct line to the Northwest corner of the above described excepted parcel; thence 35°39'28" East a distance of 155.00 feet to the point of beginning.

ALSO, EXCEPT that portion described as follows:

Beginning at a point on the North line of said Northwest ¼, which point bears South 88°37'00" East (described as being East in adjacent deeds of record), a distance of 1,745.07 feet from the Northwest corner of said Northwest ¼ of Section 19, and bears North 88°37'00" West a distance of 580.00 feet from the Northeast corner of said Northwest ¼;

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Schedule "A-1" 136377-OE

### DESCRIPTION CONTINUED:

thence South 01°20'00" West (described as being South 00°03'00" East in adjacent deeds of record), along a line which is parallel to the West line of said Northwest ¼, a distance of 479.82 feet, more or less, to a point that is North 01°20'00" East a distance of 120.00 feet from the North line of State Highway 20, said point being the TRUE POINT OF BEGINNING of this excepted

thence South 01°20'00" West a distance of 120.00 feet to the North line of said State Highway

thence North 54°20'32" East along the North line of said State Highway 20, a distance of 120.00

thence North 35°39'28" West to a point that is due East of the true point of beginning; thence West to the TRUE POINT OF BEGINNING.

Situate in the City of Sedro-Woolley, County of Skagit, State of Washington.



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