

RETURN ADDRESS:
Ronald Bray
c/o AFTS
151 S. Lander St., Suite C
Seattle WA 98134



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Skagit County Auditor

12/30/2010 Page 1 of 16 10:41AM

LAND TITLE OF SKAGIT COUNTY
138253 DE

Document Title:

Deed of Trust

Grantor:

Howard, Joshua and Howard, Danielle, husband and wife

Grantee:

Bray, Ronald, married man as his separate property

Legal Description (abbreviated: (*i.e.*, lot, block, plat or section, township, range):

A portion of government Lots 8, 9, and 10 of Section 22, Township 35 North, Range 6 East W.M., Skagit County, Washington

Assessor's Property Tax Parcel/Account Number(s):

P41840 / 350622-0-011-0104
P41873 / 350623-0-004-0002
P41842 / 350622-0-013-0002
P41845 / 350622-0-016-0009
P41843 / 350622-0-014-0001
P120132 / 350622-0-016-0100

**DEED OF TRUST, SECURITY AGREEMENT &
ASSIGNMENT OF LEASES AND RENTS**

THIS DEED OF TRUST, SECURITY AGREEMENT AND ASSIGNMENT OF LEASES AND RENTS ("Deed of Trust") is made this 29th day of December, 2010, between Joshua and Danielle Howard, husband and wife, whose address is 33664 South Skagit Highway, Sedro Woolley WA 98284 ("Grantor"); Automatic Funds Transfer Services (AFTS) whose address is 151 S. Lander St., Suite C, Seattle WA 98134 ("Trustee"); and Ronald Bray, married man as his separate estate, whose address is 18805 94th West, Edmonds WA 98020 ("Beneficiary").

1. **GRANTING CLAUSE.** Grantor, in consideration of the acceptance by Trustee of the trust hereunder, and of other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and in order to secure the payment of the indebtedness evidenced by the Note (as hereinafter defined) with interest thereon, and any other sums payable thereunder and hereunder, and to secure the performance of the obligations contained herein, grants, bargains, sells, and conveys to Trustee and its successors in trust and assigns, forever, in trust, with power of sale, all of Grantor's estate, right, title, interest, claim and demand in and to the Property in the County of Skagit, State of Washington, described on Exhibit A.

1.1 **Land and Appurtenances.** The land described on Exhibit A hereto, and all tenements, hereditaments, rights-of-ways, easements, appendages and appurtenances thereto belonging or in any way appertaining, including without limitation all of the right, title and interest of Grantor in and to any avenues, streets, ways, alleys, vaults, strips or gores of land adjoining that Property, and all claims or demands of Grantor either in law or in equity in possession or expectancy of, in, and to that Property; and

1.2 **Improvements and Fixtures.** All buildings, structures and other improvements now or hereafter erected on the Property described in 1.1 above, and all facilities, fixtures, machinery, apparatus, installments, equipment and other properties of whatsoever nature (including without limitation all heating, ventilating, air conditioning, plumbing and electrical equipment, all elevators and escalators, all sprinkler systems, all engines and motors, all lighting, laundry cleaning, fire prevention and fire extinguishing equipment, all ducts and compressors, all refrigerators, stoves and other appliances, attached cabinets, partitions, rugs, carpets and draperies, all building materials and supplies, and all construction forms and equipment), now or hereafter located in or used or procured for use in connection with that Property, it being the intention of the parties that all Property of the character hereinabove described which is now owned or hereafter acquired by Grantor and which is affixed or attached to or used in connection with the



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Property described in 1.1 above shall be, remain or become a portion of that Property and shall be covered by and subject to the lien of the Deed of Trust, together with all contracts, agreements, permits, plans, specifications, drawings, surveys, engineering reports and other work products relating to the construction of the existing or any future improvements on the Property, any and all rights of Grantor in, to or under any architect's contracts or construction contracts relating to the construction of the existing or any future improvements on the Property, and any performance and/or payment bonds issued in connection therewith; and

1.3 Enforcements and Collection. Any and all rights of Grantor without limitation to make claim for, collect, receive and receipt for any and all rents, income, revenues, issues, royalties, and profits, including mineral, oil and gas rights and profits, insurance proceeds, condemnation awards and other moneys, payable or receivable from or on account of any of the Property, including interest thereon, or to enforce all other provisions of any other agreement (including those described in Section 1.2 above) affecting or relating to any of the Property, to bring any suit in equity, action at law or other proceeding for the collection of such moneys or for the specific or other enforcement of any agreement, award or judgment, in the name of Grantor or otherwise, and to do any and all things which Grantor is or may be or become entitled to do with respect thereto, provided, however, that no obligation of Grantor under the provisions of any such agreements, awards or judgments shall be impaired or diminished by virtue hereof, nor shall any such obligation be imposed upon Trustee or Beneficiary; and

1.4 Leases. All of Grantor's rights as landlord in and to all existing and future leases and tenancies, whether written or oral and whether for a definite terms or month to month, now or hereafter demising all or any portion of the Property described in 1.1 and 1.2 above, including all renewals and extensions thereof and all rents and deposits received or receivable thereunder. In accepting this Deed of Trust neither Beneficiary nor Trustee assumes any liability for the performance of any such lease.

2. **OBLIGATIONS SECURED.** This Deed of Trust is given for the purpose of securing:

2.1 Performance and Payment. The performance of the obligations contained herein and the payment of ONE HUNDRED TWENTY SIX THOUSAND DOLLARS (\$126,000.00), with interest thereon, according to the terms of a promissory note of even date herewith, made by Grantor, payable to Beneficiary, or order, and any and all extensions, renewals, modifications or replacements thereof, whether the same be in greater or lesser amounts (the "Note"),

2.2 Future Advances. The repayment of any and all sums advanced or expenditures made by Beneficiary subsequent to the execution of this Deed of Trust for the maintenance or preservation of the Property or advanced or expended by Beneficiary pursuant to any provision of this Deed of Trust subsequent to its execution, together with interest thereon, and the repayment of all other sums advanced to Grantor by Beneficiary.



3. **WARRANTIES AND COVENANTS OF GRANTOR.** Grantor warrants, covenants, and agrees:

3.1 Warranties.

(a) Grantor has full power and authority to grant the Property to Trustee.

(b) None of the Property is used principally or at all for agricultural or farming purposes.

(c) The Property is free from damage and no matter has come to Grantor's attention (including, but not limited to, knowledge of any construction defects or nonconforming work) that would materially impair the value of the Property as security.

3.2 Preservation of Lien. Grantor will preserve and protect the priority of this Deed of Trust as a lien on the Property, prior to all other liens, except only those disclosed as prior in Exhibit B.

3.3 Repair and Maintenance of Property. Grantor will keep the Property in good condition and repair, which duty shall include but is not limited to continual cleaning, painting, landscaping, repairing and refurbishing of the Property; will complete and not remove or demolish, alter, or make additions to any building or other improvement which is part of the Property without the express written consent of Beneficiary; will underpin and support when necessary any such building or other improvement and protect and preserve the same; will complete or restore promptly and in good and workmanlike manner any such building or other improvement which may be damaged or destroyed and pay when due all claims for labor performed upon the Property in violation of law; and will do other acts which from the character or use of the Property may be reasonably necessary for the continued operation of the Property in a safe and legal manner, the specific enumerations herein not excluding the general.

3.4 Insurance.

3.4.1 Hazard. Grantor will provide, maintain and deliver to Beneficiary, as further security for the faithful performance of this Deed of Trust, insurance covering all risks (including insurance against flood, if the Property is situated in a designated flood zone) in an amount equal to one hundred percent (100%) of the replacement cost of the Property and naming Beneficiary as loss payee under a form of mortgagee's non-contributory loss payable endorsement acceptable to Beneficiary. The amount collected under any insurance policies required to be maintained by Grantor pursuant to this Section 4.4.1 may be applied by Beneficiary upon any indebtedness secured hereby and in such order as Beneficiary may determine, or at the option of Beneficiary, the entire amount collected or any part thereof may be released to Grantor.



Beneficiary shall in no case be obligated to see to the proper application of any amount paid over to Grantor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice. Each policy shall contain a replacement cost endorsement without deduction for depreciation.

3.4.2 Liability. Grantor will maintain general comprehensive liability insurance covering the legal liability of grantor against all claims for bodily injury, death, or property damage occurring on, in, or about the Property with coverage of One Million Dollars (\$1,000,000) combined single limit, and naming Beneficiary an additional named insured.

3.5 Right of Inspection. Grantor shall permit Beneficiary or its agents, at all reasonable times and upon reasonable notice, to enter upon and inspect the Property, provided that Beneficiary shall not unreasonably disturb Grantor's tenants.

3.6 Preservation of Licenses, Etc. Grantor shall observe and comply with all requirements necessary to the continued existence and validity of all rights, licenses, permits, privileges, franchises and concessions relating to any existing or presently contemplated use of the Property, including but not limited to any zoning variances, special exceptions and nonconforming use permits.

3.7 Further Assurances. Grantor will, at its expense, from time to time execute and deliver any and all such instruments of further assurance and other instruments and do any and all such acts, or cause the same to be done, as Trustee or Beneficiary deems necessary or advisable to grant to Trustee the Property or to carry out more effectively the purpose of this Deed of Trust.

3.8 Legal Action. Grantor will appear in and defend any action or proceeding before any court or administrative body purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and will pay all costs and expenses, including cost of evidence of title and any attorneys' fees incurred by Beneficiary and Trustee, in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear, and in any suit brought by Beneficiary or Trustee to foreclose this Deed of Trust.

3.9 Taxes, Assessments and Other Liens. Grantor will pay not later than when due all taxes, assessments, encumbrances, charges, and liens with interest, on the Property or any part thereof, which at any time appear to be or are alleged to be prior and superior hereto, including but not limited to any tax on or measured by rents of the Property, the Note, this Deed of Trust, or any obligation or part thereof secured hereby.

3.10 Trust Expenses. Grantor will pay all costs, fees and expenses of this trust, including all such costs, fees and expenses incident to any default hereunder, including reasonable attorneys' fees.



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3.11 Repayment of Expenditures. Grantor will pay immediately and without demand all sums expended hereunder by Beneficiary or Trustee with interest from date of expenditure at the Default Rate of interest specified in the Note and the repayment thereof shall be secured hereby.

3.12 Financial & Operating Information. Grantor will, at the Beneficiary's request, furnish to it in such form as it may request, itemized annual statements of income and expenses in connection with the operation of the Property, including but not limited to utilization and property inspection reports, and after the occurrence of an Event of Default, such other financial and operating statements of Grantor as Beneficiary may from time to time require.

3.13 Sale, Transfer, or Encumbrance of Property. Grantor will not, without the prior written consent of Beneficiary (which consent shall be subject to the conditions set forth below), sell, transfer or otherwise convey the Property or any interest therein, cause or permit any change in the entity, ownership or control of Grantor (other than transfers of limited partnership interests) or agree to do any of the foregoing without first repaying in full the Note and all other sums secured hereby.

Beneficiary's consent to any sale, transfer or other conveyance of the Property or change in the entity, ownership or control of Grantor must be obtained in writing prior to any such act, provided, however that

(i) the granting of any such consent shall not release Grantor from the obligations of said Note and this Deed of Trust;

(ii) Beneficiary may require the execution and delivery to Beneficiary of such documents as Beneficiary may deem necessary to evidence the assumption by the potential transferee of the performance of the obligations contained in the Note and this Deed of Trust.

In connection with any of the matters described in this Section 4.13 to which Beneficiary is asked to consent, Grantor agrees to pay to Beneficiary in addition to any sums specified above a reasonable sum as reimbursement for Beneficiary's expenses, including reasonable attorneys' fees, incurred in reviewing and evaluating such matter.

Consent to any one such occurrence shall not be deemed a waiver of the right to require consent to any further occurrences.

3.14 Performance of Rental Agreements. Grantor will in all respects promptly and faithfully keep, perform and comply with all of the terms, provisions, covenants, conditions and agreements in each of the agreements pursuant to which any tenant of any part of the Property is occupying such Property (the "rental agreements") to be kept, performed and complied with by the lessor therein, and will require, demand and strictly enforce, by all available means, the prompt and faithful performance of and compliance with all of the terms, provisions, covenants, conditions and agreements in the



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rental agreements to be performed and complied with by the lessees therein. Grantor will provide Beneficiary with copies of all rental agreements upon Beneficiary's reasonable written request.

4. DEFAULT

4.1 Definition. Any of the following shall constitute an "Event of Default" as that term is hereinafter used:

(a) Any representation or warranty made by or for the benefit of Grantor herein or elsewhere in connection with the loan secured hereby, including but not limited to any representations in connection with the security therefor, shall prove to have been incorrect or misleading in any material respect;

(b) Grantor or any other person or entity liable therefor shall fail to pay when due any indebtedness secured hereby;

(c) Grantor or any other signatory thereto shall default in the performance of any covenant or agreement contained in this Deed of Trust, the Note, or any other agreement securing the indebtedness secured hereby;

(d) Grantor or any other person or entity liable for the repayment of indebtedness secured hereby shall become unable or admit in writing its inability to pay its debts as they mature, or file a voluntary petition in bankruptcy, or have filed against it an involuntary petition in bankruptcy which has not been dismissed within a period of sixty (60) calendar days from the date of filing, or make a general assignment for the benefit of creditors, or be adjudicated bankrupt or insolvent;

(e) A tax, charge or lien shall be placed upon or measured by the Note, this Deed of Trust, or any obligation secured hereby which Grantor does not or may not legally pay in addition to the payment of all principal and interest as provided in the Note; or

(f) Grantor shall be involuntarily divested of title to or shall abandon the Property.

4.2 Beneficiary's and Trustee's Right to Perform. Upon the occurrence of any Event of Default and the expiration of the applicable grace period, if any, specified in the Note, Beneficiary or Trustee, but without the obligation so to do and without notice to or demand upon Grantor and without releasing Grantor from any obligations hereunder, may: make any payments or do any acts required of Grantor hereunder in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon the Property for such purposes; commence, appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest or compromise any encumbrance, charge or lien in accordance with the following



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paragraph; and in exercising any reasonable fee therefor. All sums so expended shall be payable on demand by Grantor, be secured hereby and bear interest at the Default Rate of interest specified in the Note from the date advanced or expended until repaid.

Beneficiary or Trustee in making any payment herein and hereby authorized, in the place and stead of the Grantor, in the case of a payment of taxes, assessments, water rates, sewer rentals and other governmental or municipal charges, fines, impositions or liens asserted against the Property, may make such payment in reliance on any bill, statement or estimate procured from the appropriate public office without inquiry into the accuracy of the bill, statement or estimate or into the validity of any tax, assessment, sale, forfeiture, tax lien or title or claim thereof; in the case of any apparent or threatened adverse claim of title, lien, statement of lien, encumbrance, deed of trust, claim or charge Beneficiary or Trustee, as the case may be, shall be the sole judge of the legality or validity of same; and in the case of a payment for any other purpose herein and hereby authorized, but not enumerated in this paragraph, such payment may be made whenever, in the sole judgment and discretion of Trustee or Beneficiary, and the case may be, such advance or advances shall seem necessary or desirable to protect the full security intended to be created by this instrument, provided further, that in connection with any such advance, Beneficiary at its option may and is hereby authorized to obtain a continuation report of title prepared by a title insurance company, the cost and expenses of which shall be repayable by the Grantor without demand and shall be secured hereby.

4.3 Remedies on Default. Upon the occurrence of any Event of Default and the expiration of any applicable grace period, if any, specified in the Note, all sums secured hereby shall become immediately due and payable, without notice or demand, at the option of Beneficiary and Beneficiary may:

- (a) Have a receiver appointed as a matter of right, without regard to the sufficiency of the Property or any other security for the indebtedness secured hereby;
- (b) Foreclose this Deed of Trust as a mortgage or otherwise realize upon the Property; or
- (c) Sue on the Note according to law, subject to the provisions in this Agreement..

4.4 No Waiver. By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive its right either to require prompt payment when due of all other sums so secured or to declare an Event of Default for failure to do so.

5. CONDEMNATION. Any award of damages, whether paid as a result of judgment or prior settlement, in connection with any condemnation or other taking of any portion of the Property, for public or private use, or for injury to any portion of the



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Property is hereby assigned and shall be paid to Beneficiary which may apply such moneys received by it in the same manner and with the same effect as provided in Section 3.4.1 above for disposition of proceeds of hazard insurance.

6. TRUSTEE.

6.1 General Powers and Duties of Trustee. At any time or from time to time, without liability therefor and without notice and without affecting the liability of any person for the payment of the indebtedness secured hereby, upon written request of Beneficiary, payment of its own fees and presentation of this Deed of Trust and the Note for endorsement (in case of full reconveyance, for cancellation or retention), Trustee may:

- (a) Consent to the making of any map or plat of the Property;
- (b) Join in granting any easement or creating any restriction thereon;
- (c) Join in any subordination or other agreement affecting this Deed of Trust or lien or charge thereof; or
- (d) Reconvey, without warranty, all or any part of the Property.

6.2 Reconveyance. Upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed of Trust and Note to Trustee for cancellation and retention and upon payment of its fees, Trustee shall reconvey, without warranty, the Property then held hereunder. The recitals in any reconveyance executed under this Deed of Trust of any matters of fact shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto."

6.3 Powers and Duties on Default. Upon written request therefor by Beneficiary specifying the nature of the default, or the nature of the several defaults, and the amount or amounts due and owing, Trustee shall execute a written notice of default and of the Beneficiary's election to cause the property to be sold to satisfy the obligation secured hereby, and shall cause such notice to be transmitted to Grantor or any successor in interest and otherwise given according to law.

Notice of sale having been given as then required by law and not less than the time then required by law having elapsed after giving of such notice as required by law of sale, Trustee, without demand on Grantor, shall sell the Property at the time and place of sale specified in the notice, as provided by statute, either as a whole or in separate parcels and in such order as it may determine, at public auction to the highest and best bidder for cash in lawful money of the United States, payable at time of sale. Grantor agrees that such a sale (or a sheriff's sale pursuant to judicial foreclosure) of all the Property as real estate constitutes a commercially reasonable disposition thereof.



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Trustee may postpone sale of all or any portion of the Property, and from time to time thereafter may postpone such sale, as provided by statute. Trustee shall deliver to the purchaser its deed and bill of sale conveying the Property so sold, but without any covenant or warranty, express or implied. The recital in such deed and bill of sale of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person other than Trustee, including Grantor or Beneficiary, may purchase at such sale.

After deducting all costs, fees and expenses of Trustee and of this trust, including the cost of evidence of title search and reasonable counsel fees in connection with sale, Trustee shall apply the proceeds of sale to payment of: all sums expended under the terms hereof not then repaid, with accrued interest at the Default Rate of interest specified in the Note; all other sums then secured hereby; and the remainder, if any, to the clerk of the superior court of the county in which the sale took place.

6.4 Acceptance of Trust. Trustee accepts this trust when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto except Beneficiary of a pending sale under any other deed of trust or of any action or proceeding in which Grantor, Beneficiary or Trustee shall be a party unless brought by Trustee.

6.5 Reliance. Trustee, upon presentation to it of an affidavit signed by Beneficiary setting forth facts showing a default by Grantor under this Deed of Trust, is authorized to accept as true and conclusive all facts and statement therein, and to act thereon hereunder.

6.6 Replacement of Trustee. Beneficiary may, from time to time, as provided by statute, appoint another trustee in place and stead of Trustee herein named, and thereupon Trustee herein named shall be discharged and the trustee so appointed shall be substituted as Trustee hereunder, with the same effect as if originally named Trustee herein.

7. APPLICATION OF RENTS. Grantor hereby gives to and confers upon Beneficiary the right, power and authority during the continuance of this Deed of Trust to collect the rents, issues and profits of the Property, reserving unto Grantor the right, prior to any default in payment of any indebtedness secured hereby or hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default and the expiration of any applicable grace period, Beneficiary may at the time and without notice, either in person, by agent, or by a receiver to be appointed by a court, without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of the Property or any part thereof, or in its own name sue for or otherwise collect such rent, issues, and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees upon any indebtedness secured hereby, and in such order as Beneficiary may determine. Any excess remaining after such application shall be delivered by Beneficiary to Grantor within sixty (60) days after collection thereof, provided that there is then no default hereunder or under the Note and no event is then



existing that would, with the passage of time, the giving of notice, or the expiration of a period of grace ripen into any such default. The entering upon and taking possession of the Property, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any action done pursuant to such notice.

8. NOTICES.

8.1 Trustee. Any notice or demand upon Trustee may be given or made at: Automatic Funds Transfer Services (AFTS) located at 151 S. Lander St., Suite C, Seattle WA 98134.

8.2 Grantor and Beneficiary. Any notice to or demand upon Grantor (including any notice of default or notice of sale) or notice to or demand upon Beneficiary shall be deemed to have been sufficiently made for all purposes when deposited in the United States mails, postage prepaid, registered or certified, return receipt requested, addressed as follows:

Grantor:

Joshua and Danielle Howard
33664 South Skagit Highway
Sedro Woolley WA 98284

Beneficiary:

Ronald Bray
18805 94th West
Edmonds WA 98020

or to such other address as may be filed in writing by Grantor or Beneficiary with Trustee.

8.3 Waiver of Notice. The giving of notice maybe waived in writing by the person or persons entitled to receive such notice, either before or after the time established for the giving of such notice.

9. MODIFICATIONS. Upon written request of any party then liable for any sum secured hereby, Beneficiary reserves the right to extend the term, otherwise modify the terms, hereof or of the Note as Beneficiary and such person may from time to time deem appropriate and any change shall not operate to release, in any manner, the liability of the original Grantor or Grantor's successors in interest.

10. SUCCESSORS AND ASSIGNS. All provisions herein contained shall be binding upon and insure to the benefit of the respective successors and assigns of the parties.



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11. **GOVERNING LAW; SEVERABILITY.** This Deed of Trust shall be governed by the law of Washington. In the event that any provision or clause of this Deed of Trust or the Note conflicts with applicable law, the conflict shall not affect other provisions of this Deed of Trust or the Note which can be given effect without the conflicting provision and to this end the provisions of this Deed of Trust and the Note are declared to be severable.

12. **GRANTOR'S RIGHT TO POSSESSION.** Grantor may be and remain in possession of the Property for so long as it is not in default hereunder or under the terms of the Note or the Deed of Trust and Grantor may, while it is entitled to possession of the Property, use the same.

13. **MAXIMUM INTEREST.** No provision of this Deed of Trust or of the Note shall require the payment or permit the collection of interest in excess of the maximum permitted by law. If any excess of interest in such respect is herein or in the Note provided for, neither Grantor nor its successor or assigns shall be obligated to pay that portion of such interest which is in excess of the maximum permitted by law, and the right to demand the payment of any such excess shall be and is hereby waived and this Section 14 shall control any provision of this Deed of Trust or the Note which is inconsistent herewith.

14. **MISCELLANEOUS.**

14.1 Whenever the context so requires the singular number includes the plural herein, and the impersonal includes the personal.

14.2 The headings to the various sections have been inserted for convenient reference only and shall not modify, define, limit or expand the express provisions of this Deed of Trust.

14.3 This Deed of Trust covers the following six parcels of properties: 350622-0-011-0104, 350623-0-004-0002, 350622-0-013-0002, 350622-0-016-0009, 350622-0-014-0001, 350622-0-016-0100.

In the event any parcels included with the sale to Buyer are sold prior to full satisfaction of the Promissory Note, Buyer agrees any net proceeds shall be applied to the outstanding balance due under the Promissory Note. If one or more of the parcels are sold, the Seller shall issue a Partial Reconveyance on the parcel(s) sold, which will release that specific parcel, in exchange for the net proceeds. The remaining property described in this Deed of Trust shall continue to be held by the Trustee. The Partial Reconveyance shall be made without affecting the personal liability of any person for payment of the indebtedness secured by said Deed of Trust.

DATED as of this day and year first above written.

GRANTOR:




Joshua Howard


Danielle Howard

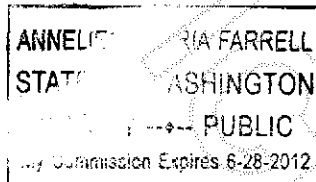


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STATE OF WASHINGTON)
)
COUNTY OF SKAGIT) ss.

I certify that I know or have satisfactory evidence that Joshua Howard is the person who appeared before me and said person acknowledged that he signed this instrument and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in the instrument.

SUBSCRIBED AND SWORN to before me this 29th day of DECEMBER, 2010.

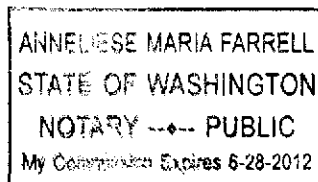


Anneliese Maria Farrell
Printed/Typed Name: ANNELIESE MARIA FARRELL
NOTARY PUBLIC in and for the State of
Washington, residing at: LACONNER
My appointment expires: 6/28/12

STATE OF WASHINGTON)
)
COUNTY OF SKAGIT) ss.

I certify that I know or have satisfactory evidence that Danielle Howard is the person who appeared before me and said person acknowledged that she signed this instrument and acknowledged it to be her free and voluntary act for the uses and purposes mentioned in the instrument.

SUBSCRIBED AND SWORN to before me this 29th day of DECEMBER, 2010.



Anneliese Maria Farrell
Printed/Typed Name: ANNELIESE MARIA FARRELL
NOTARY PUBLIC in and for the State of
Washington, residing at: LACONNER
My appointment expires: 6/28/12



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Exhibit A
Legal Description of Property for Deed of Trust

Parcel A:

That portion of the Northeast $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ (also called Government Lot 10) of Section 22, Township 35 North, Range 6, East W.M. lying North of the Northerly edge of a logging road which is defined as a line running approximately as follows:

Begin at a point 2,640 feet South of the Section corner common to Sections 14, 15, 22, and 23, Township 35 North, Range 6, East, W.M., which point is the approximate Northeast corner of the said Northeast $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ and running thence South 47° West 263.6 feet; thence South 61° west 1,071.3 feet; thence South 57° West 226.9 feet to a point which is approximately 857.6 feet South of the approximate Northwest corner of the said Northeast $\frac{1}{4}$ of the Southeast $\frac{1}{4}$.

Situate in the County of Skagit, State of Washington.

Parcel B:

All Government Lot 9 and that portion of Government Lot 8, lying Northerly of the County road, all in Section 22, Township 35 North, Range 6 East, W.M.

ALSO that part of Government Lot 4 of Section 23, Township 35 North, Range 6 East, W.M., lying North of the County road.

EXCEPT that portion of Government Lot 8, Section 22, Township 35 North, Range 6 East, W.M., lying Northerly of the mean high water mark on the North bank of the Skagit River, but subject to the rules of accretion, erosion, avulsion, and relictio that may hereafter affect the property and the location of the Skagit River.

Situate in the County of Skagit, State of Washington.

Parcel C:

That portion of Government Lot 8, Section 22, Township 35 North, Range 6 East, W.M., lying Northerly of the existing United States Forest Service Road known as the Cumberland Creek Road and Southerly of the existing County Road.

Situate in the County of Skagit, State of Washington.



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Tax Account No.	Corresponding Property Id. No.
350622-0-011-0104	P41840
350623-0-004-0002	P41873
350622-0-013-0002	P41842
350622-0-016-0009	P41845
350622-0-014-0001	P41843
350622-0-016-0100	P120132

("Property")



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