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Skagit County Auditor

1/24/2011 Page

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DEED OF TRUST

STATE OF WASHINGTON §
COUNTY OF SKAGIT §

THIS DEED OF TRUST is made December 27, 2010, among the Trustor, **MICHAEL A. YOUNGQUIST** and wife, **JEANNE M. YOUNGQUIST**, 16402 Jungquist Road, Mount Vernon, Washington 98273 ("Borrower"), **MATTHEW D. BARTOSIEWICZ**, % Lemon, Shearer, Phillips & Good, P.C., P. O. Box 348, Booker, Texas 79005 ("Trustee"), and the Beneficiary, **BOOKER TRANS BROKERAGE, LLC**, P.O. Box 790, Perryton, Texas 79070 ("Lender").

Borrower, in consideration of the indebtedness herein recited and the trust herein created, irrevocably grants and conveys to Trustee, in trust, with power of sale, the following described property located in the County of Skagit, State of Washington:

Tract 1

That portion of Quarter 3, Section 33, Township 35, Range 4, Skagit County, Washington described as: (1.8900 acres) Burlington acres tract 37 portion vacated road adjacent to and North Half (N/2) of the North Half (N/2) of the West Half (W/2) dike 12 less road and portion tax 1 and roll tract #0-37-10 including 3 mobile homes: (1) KW6317 Kentwood 78 64x14, (2) KW6328 Kentwood 78 64x14 KW6254; and (3) Kentwood 78 64x14, also known as a portion of Lots 1 and 2 S/P#7-85

Tract 2

That portion of Quarter 1, Section 11, Township 35, Range 3, Skagit County, Washington described as: (39.0400 acres) (Conservation Easement AF# 980527011) O/S#81 AF#776892 1974 TRF#814185 Lot 2 short plat #97-065 AF#9805270110 located in the North Half (N/2) of the Northeast Quarter (NE/4)

Tract 3

That portion of Quarter 3, Section 33, Township 35, Range 4, Skagit County, Washington described as: (1.5000 acres) Burlington acre South 126 feet of the North Half (N/2) of the West Half (W/2) of tract 37 except West 103.72 feet, also known as a portion of Lot 2 S/P 7-85 DK12

which has the address of 1036 Cleveland Avenue, Newport Beach, California 99909 ("Property Address");

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Together with all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances, and rents (subject however to the rights and authorities given herein to Lender to collect and apply such rents), all of which shall be deemed to be and remain a part of

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P.O. BOX 348
BOOKER, TEXAS 79005

the property covered by this Deed of Trust; and all of the foregoing, together with said property (or the leasehold estate if this Deed of Trust is on a leasehold) are hereinafter referred to as the "Property".

To secure to Lender the repayment of the indebtedness of principal and interest evidenced by Borrower's note dated December 27, 2010 ("Note"), which is in the face amount of TWELVE THOUSAND ONE HUNDRED SEVENTY-TWO AND NO/100THS DOLLARS (\$12,172.00) and which provides for monthly payments with the balance of the indebtedness, if not sooner paid, due and payable on August 1, 2011; the payment of all other sums, with interest, advanced in accordance herewith to protect the security of this Deed of Trust; and the performance of the covenants and agreements of Borrower herein contained.

Borrower covenants that Borrower is lawfully seized of the estate hereby conveyed and has the right to grant and convey the Property, and that the Property is unencumbered, except for all previously granted mortgages or deeds of trust a mortgage or deed of trust that have been property recorded in the appropriate records of Skagit County, Washington ("Senior Mortgages") and other encumbrances of record. Borrower covenants that Borrower will warrant and defend generally the title to the Property against all claims and demands, subject to encumbrances of record.

Borrower and Lender covenant and agree as follows:

1. *Payment of principal and interest.* Borrower shall promptly pay when due the principal and interest indebtedness evidenced by the Note and late charges as provided in the Note.
2. *Funds for taxes and insurance.* Subject to applicable law or a written waiver by Lender, Borrower shall pay to Lender on the day monthly payments of principal and interest are payable under the Note, until the Note is paid in full, a sum ("Funds") equal to one twelfth of the yearly taxes and assessments which may attain priority over this Deed of Trust, and ground rents on the Property, if any, plus one twelfth of yearly premium installments for hazard insurance, plus one twelfth of yearly premium installments for mortgage insurance, if any, all as reasonably estimated initially and from time to time by Lender on the basis of assessments and bills and reasonable estimates thereof. Borrower shall not be obligated to make such payments of Funds to Lender to the extent that Borrower makes such payments to the holder of the Senior Mortgage.

If Borrower pays Funds to Lender, the Funds shall be held in an institution the deposits or accounts of which are insured or guaranteed by a federal or state agency (including Lender if it is such an institution). Lender shall apply the Funds to pay said taxes, assessments, insurance premiums and ground rents. Lender may not charge for so holding and applying the Funds, analyzing said account or verifying and compiling said assessments and bills, unless Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge. Borrower and Lender may agree in writing at the time of execution of this Deed of Trust that interest on the Funds shall be paid to Borrower, and unless such agreement is made or applicable law requires such interest to be paid, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds showing credits and debits to the Funds and the purpose for which each debit to the



Funds was made. The Funds are pledged as additional security for the sums secured by this Deed of Trust.

If the amount of the Funds held by Lender, together with the future monthly installments of Funds payable before the due dates of taxes, assessments, insurance premiums and ground rents, exceeds the amount required to pay said taxes, assessments, insurance premiums and ground rents as they fall due, such excess shall be, at Borrower's option, either promptly repaid to Borrower or credited to Borrower on monthly installments of Funds. If the amount of the Funds held by Lender is not sufficient to pay taxes, assessments, insurance premiums and ground rents as they fall due, Borrower shall pay to Lender any amount necessary to make up the deficiency within 30 days from the date notice is mailed by Lender to Borrower requesting payment thereof.

Upon payment in full of all sums secured by this Deed of Trust, Lender shall promptly refund to Borrower all Funds held by Lender. If under paragraph 16 the Property is sold or is otherwise acquired by Lender, Lender shall apply, no later than immediately before the sale of the Property or its acquisition by Lender, any Funds held by Lender at the time of application as a credit against the sums secured by this Deed of Trust.

3. *Application of payments.* Unless applicable law provides otherwise, all payments received by Lender under the Note and paragraphs 1 and 2 shall be applied by Lender first in payment of amounts, if any, payable to Lender by Borrower under paragraph 2, then to interest payable on the Note, and then to the principal of the Note.

4. *Prior mortgages and deeds of trust; charges; liens.* Borrower shall perform all of Borrower's obligations under the Senior Mortgage or any other security agreement with a lien which has priority over this Deed of Trust, including Borrower's covenants to make payments when due and to keep the Property in compliance with all environmental laws, federal, state and local. Borrower shall pay all taxes, assessments and other charges, fines and impositions attributable to the Property which may attain a priority over this Deed of Trust, and leasehold payments or ground rents, if any.

5. *Hazard insurance.* Borrower shall keep all existing or future improvements on the Property insured against loss by fire, hazards included within the term "extended coverage," and all other hazards Lender may require and in such amounts and for such periods as Lender may require.

The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's approval, which shall not be unreasonably withheld. All insurance policies and renewals shall be in form acceptable to Lender and include a standard mortgage clause in favor of and in form acceptable to Lender. Lender shall have the right to hold the policies and renewals.

In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

If the Property is abandoned by Borrower, or if Borrower fails to respond to Lender within 30 days from the date notice is mailed by Lender to Borrower that the insurance carrier offers to settle a claim for insurance benefits, Lender is authorized to collect and apply the insurance



proceeds either to restoration or repair of the Property or to the sums secured by this Deed of Trust.

6. *Preservation and maintenance of property; leaseholds; condominiums; planned unit developments.* Borrower shall keep the Property in good repair, shall not commit waste or permit impairment or deterioration of the Property, shall use the property in compliance with all environmental laws, federal, state and local, and shall comply with the provisions of any lease if this Deed of Trust is on a leasehold. If this Deed of Trust is on a unit in a condominium or a planned unit development, Borrower shall perform all of Borrower's obligations under the declaration or covenants creating or governing the condominium or planned unit development, the Bylaws and regulations of the condominium or planned unit development, and constituent documents.

7. *Protection of lender's security.* If Borrower fails to perform the covenants and agreements contained in this Deed of Trust, or if any action or proceeding is commenced which materially affects Lender's interest in the Property, then Lender, upon notice to Borrower, may make such appearances, disburse such sums, and take all action necessary to protect Lender's interest. If Lender required mortgage insurance as a condition of making the loan secured by this Deed of Trust, Borrower shall pay the premiums required to maintain such insurance in effect until the requirement for such insurance terminates in accordance with Borrower's and Lender's written agreement or applicable law.

Any amounts disbursed by Lender under this paragraph 7, with interest, at the Note rate, shall become additional indebtedness of Borrower secured by this Deed of Trust. Unless Borrower and Lender agree to other terms of payment, such amounts shall be payable upon notice from Lender to Borrower requesting payment thereof. Nothing contained in this paragraph 7 shall require Lender to incur any expense or take any action.

8. *Inspection.* Lender may make or cause to be made reasonable entries upon and inspections of the Property, provided that Lender gives Borrower prior notice of any such inspection specifying reasonable cause therefor related to Lender's interest in the Property.

9. *Borrower not released; forbearance by lender not waiver.* Extension of the time for payment or modification of amortization of the sums secured by this Deed of Trust granted by Lender to any successor in interest of Borrower shall not operate to release, in any manner, the liability of the original Borrower and Borrower's successors in interest. Lender shall not be required to commence proceedings against such successor or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Deed of Trust by reason of any demand made by the original Borrower and Borrower's successors in interest. Any forbearance by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy.

10. *Successors and assigns bound; joint and several liability; co-signers.* The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Lender and Borrower, subject to the provisions of paragraph 15. All covenants and agreements of Borrower shall be joint and several. Any Borrower who co-signs



this Deed of Trust, but does not execute the Note, (a) is co-signing this Deed of Trust only to grant and convey that Borrower's interest in the Property to Trustee under the terms of this Deed of Trust, (b) is not personally liable on the Note or under this Deed of Trust, and (c) agrees that Lender and any other Borrower hereunder may agree to extend, modify, forebear, or make any other accommodations with regard to the terms of this Deed of Trust or the Note without that Borrower's consent and without releasing that Borrower or modifying this Deed of Trust as to that Borrower's interest in the Property.

11. *Notice.* Unless otherwise provided by applicable law, (a) any notice to Borrower under this Deed of Trust shall be given by certified mail, addressed to Borrower at the Property Address or at any other address Borrower designates by notice to Lender, and (b) any notice to Lender shall be given by certified mail, return receipt requested, to Lender's address stated herein or to any other address Lender designates by notice to Borrower. Any notice under this Deed of Trust shall be deemed to have been given to Borrower or Lender when given in the manner designated above.

12. *Governing law; severability.* This Deed of Trust shall be construed in accordance with and governed by the laws of the state of Washington, as well as by the local laws of the jurisdiction in which the Property is located. The preceding sentence shall not limit the applicability of federal law to this Deed of Trust. If any provision or clause of this Deed of Trust or the Note conflicts with applicable law, such conflict shall not affect other provisions of either instrument if the provisions can be given effect without the conflicting provision. To this end the provisions of this Deed of Trust and the Note are declared to be severable.

13. *Borrower's copy.* Borrower shall be furnished a conformed copy of the Note and of this Deed of Trust at the time of execution or after recordation.

14. *Rehabilitation loan agreement.* Borrower shall fulfill all of Borrower's obligations under any home rehabilitation, improvement, repair or other loan agreement which Borrower enters into with Lender. Lender may require Borrower to execute and deliver to Lender in a form acceptable to Lender, an assignment of any rights, claims or defenses which Borrower may have against parties who supply labor, materials or services in connection with improvements made to the Property.

15. *Transfer of property; assumption.* If all or any part of the Property or an interest therein is sold or transferred by Borrower, excluding (a) the creation of a lien or encumbrance subordinate to this Deed of Trust, (b) a transfer by devise, descent or by operation of law upon the death of a joint tenant, or (c) the grant of any leasehold interest of three years or less not containing an option to purchase, Borrower shall, upon Lender's request, submit information required to enable Lender to evaluate the transferee's creditworthiness as if a new loan were being made to the transferee. If Lender, on the basis of a review of the creditworthiness of the transferee and the value of the Property, reasonably determines that, as a result of the sale or transfer, Lender's security may be impaired, or that there is an increased likelihood of a breach of any covenant or agreement in this Deed of Trust, Lender may declare all of the sums secured by this Deed of Trust to be immediately due and payable.



If Lender exercises such option to accelerate, it shall mail Borrower notice of acceleration in accordance with paragraph 11. Such notice shall provide a period of not less than ten days from the date the notice is mailed within which Borrower may pay the sums declared due. If Borrower fails to pay such sums before the ten-day period expires, Lender may, without further notice or demand on Borrower, invoke any remedies permitted by paragraph 16.

16. *Acceleration; remedies.* Except as provided in paragraph 15, upon Borrower's breach of any covenant or agreement in this Deed of Trust, including the covenants to pay when due any sums secured by this Deed of Trust, Lender prior to acceleration shall mail notice to Borrower as provided in paragraph 11 specifying: (1) the breach; (2) the action required to cure such breach; (3) a date, not less than ten days from the date the notice is mailed to Borrower, by which such breach must be cured; and (4) that failure to cure such breach on or before the date specified in the notice may result in acceleration of the sums secured by this Deed of Trust and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to bring a court action to assert the nonexistence of a default or any other defense of Borrower to acceleration and sale. If the breach is not cured on or before the date specified in the notice, Lender may declare all of the sums secured by this Deed of Trust to be immediately due and payable without further demand and may invoke the power of sale and all other remedies permitted by applicable law. Lender shall be entitled to collect all reasonable costs and expenses incurred in pursuing the remedies provided in this paragraph 16, including reasonable attorney's fees.

If Lender invokes the power of sale, it shall execute or cause Trustee to execute a written notice of the occurrence of an event of default and of Lender's election to cause the Property to be sold, and shall cause such notice to be recorded in each county in which the Property or some part thereof is located. Lender or Trustee shall mail copies of such notice in the manner prescribed by applicable law. Trustee shall give public notice of sale to the persons and in the manner prescribed by applicable law. After the lapse of time required by applicable law, Trustee, without demand on Borrower, shall sell the Property at public auction to the highest bidder at the time and place and under the terms designated in the notice of sale in one or more parcels and in any order Trustee determines. Trustee may postpone sale of all or any parcel of the Property by public announcement at the time and place of any previously scheduled sale. Lender or its designee may purchase the Property at any sale.

Trustee shall deliver to the purchaser a Trustee's deed conveying the Property so sold without any covenant or warranty, expressed or implied. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all reasonable costs and expenses of the sale, including reasonable Trustee's and attorney's fees and costs of title evidence; (b) to all sums secured by this Deed of Trust; and (c) the excess, if any, to the person or persons legally entitled thereto.

17. *Borrower's right to reinstate.* Notwithstanding Lender's acceleration of the sums secured by this Deed of Trust due to Borrower's breach, Borrower may have any proceedings begun by Lender to enforce this Deed of Trust discontinued at any time prior to five days before sale of the Property pursuant to the power of sale contained in this Deed of Trust or at any time prior to entry of a judgment enforcing this Deed of Trust if: (a) Borrower pays Lender all sums which



would be then due under this Deed of Trust and the Note had no acceleration occurred; (b) Borrower cures all breaches of any other of Borrower's covenants or agreements contained in this Deed of Trust; (c) Borrower pays all reasonable expenses incurred by Lender and Trustee in enforcing Borrower's covenants and agreements contained in this Deed of Trust, and in enforcing Lender's and Trustee's remedies as provided in paragraph 16, including reasonable attorney's fees; and (d) Borrower takes all action that Lender reasonably requires to assure that the lien of this Deed of Trust, Lender's interest in the Property and Borrower's obligation to pay the sums secured by this Deed of Trust shall continue unimpaired. Upon such payment and cure by Borrower, this Deed of Trust and the obligations secured hereby shall remain in full force and effect as if no acceleration had occurred.

18. *Assignment of rents; appointment of receiver; lender in possession.* As additional security hereunder, Borrower assigns to Lender the rents of the Property, except that Borrower may, before acceleration under paragraph 16 or abandonment of the Property, collect and retain such rents as they become due and payable.

Upon acceleration under paragraph 16 or abandonment of the Property, Lender, in person, by agent or by judicially appointed receiver may enter upon, take possession of and manage the Property, and collect the rents of the Property including those past due. All rents collected by Lender or the receiver shall be applied first to payment of the costs of management of the Property and collection of rents, including receiver's fees, premiums on receiver's bonds, and reasonable attorney's fees, and then to the sums secured by this Deed of Trust. Lender and the receiver shall be liable to account only for those rents actually received.

19. *Reconveyance.* Upon payment of all sums secured by this Deed of Trust, Lender shall request Trustee to reconvey the Property and shall surrender this Deed of Trust and all notes evidencing indebtedness secured by it to Trustee. Trustee shall reconvey the Property without warranty and without charge to the person or persons legally entitled thereto. Such person or persons shall pay all costs of recordation, if any.

20. *Substitute trustee.* Lender may, from time to time, remove Trustee or any trustee appointed hereunder and appoint a successor trustee. Without conveyance of the Property, the successor trustee shall succeed to all the title, power and duties conferred upon the Trustee herein and by applicable law.

21. *Requests for notices.* Borrower requests that copies of the notice of default and notice of sale be sent to Borrower's address, which is the Property Address. Lender requests that copies of notices of foreclosure from the holder of the Senior Mortgage and any other lien which has priority over this Deed of Trust be sent to Lender's address.



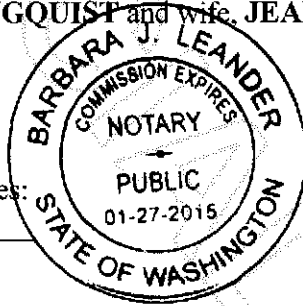
Michael A. Youngquist
Michael A. Youngquist
Jeanne M. Youngquist
Jeanne M. Youngquist

THE STATE OF WASHINGTON §
COUNTY OF SKAGIT §

This instrument was acknowledged before me on the 29th day of December, 2010 by
MICHAEL A. YOUNGQUIST and wife, JEANNE M. YOUNGQUIST.

My Commission Expires:

1/27/2015



Barbara J. Leander
Notary Public in and for
The State of Washington

