

AFTER RECORDING RETURN TO:
Lynn Laurel and Edmond Glen Turner
5548 Smith Road
Bow, Washington 98232



201208060089
Skagit County Auditor

8/6/2012 Page

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6 1:38PM

Reference Number of Related Document: N/A
Grantor(s): Bernard Alonzo and Mary Christine Erickson
Grantee(s): Lynn Laurel and Edmond Glen Turner
Abbreviated Legal Description: Section 33, T 36 N, R 3 E, Ptn. Gov't Lot 2
Additional Legal Description is on Exhibit A of Document
Assessor's Property Tax Parcel or Account Nos.: P118998, 360333-0-003-0100, P48560, 360333-0-028-0004, P118924, 360333-0-001-0200

GUARDIAN NORTHWEST TITLE CO.

104032-2

**FIRST LIEN DEED OF TRUST
AND SECURITY AGREEMENT**

THIS FIRST LIEN DEED OF TRUST AND SECURITY AGREEMENT ("Deed of Trust"), dated August 6, 2012, is entered into among BERNARD ALONZO and MARY CHRISTINE ERICKSON, husband and wife ("Grantor"), whose address is 17001 Brentwood Place NE, Lake Forest Park, Washington 98155; FIRST AMERICAN TITLE INSURANCE COMPANY ("Trustee"), whose address is 818 Stewart Street, Suite 800, Seattle, Washington 98101; and Lynn Laurel and Edmond Glen Turner ("Beneficiary"), whose address is 5548 Smith Road, Bow, Washington 98232.

Grantor hereby bargains, sells and conveys and sets over, assigns and transfers to Trustee in trust, with power of sale, the real property located in Skagit County, Washington and legally described on Exhibit A attached, which real property is not used principally or at all for agricultural or farming purposes, together with all buildings, structures, improvements, tenements, hereditaments, and appurtenances now or hereafter located on, belonging to or in any way appertaining to the foregoing described real property (collectively, "Real Property").

TOGETHER WITH all of Grantor's right, title and interest in and to all goods, building and other materials, supplies, work in process, equipment, machinery, fixtures, furniture, furnishings, signs and other personal property, wherever situated, which are or are to be incorporated into, used in connection with, or appropriated for use on the Real Property together with all inventory, accounts, cash receipts, deposit accounts, accounts receivable, contract rights, licenses, agreements, general intangibles, chattel paper, instruments, documents, notes, drafts, letters of credit, insurance policies, insurance and condemnation awards and proceeds, any other rights to the payment of money, trade names, trademarks and service marks arising from or related to the ownership, management, leasing or operation of the Real Property or any business now or hereafter conducted thereon by Grantor; all

permits, consents, approvals, licenses, authorizations and other rights granted by, given by or obtained from any governmental entity with respect to the Real Property; all deposits or other security now or hereafter made with or given to utility companies by Grantor with respect to the Real Property; all advance payments of insurance premiums made by Grantor with respect to the Real Property; all plans, drawings and specifications relating to the Real Property; all reserves, deferred payments, deposits, accounts, refunds, cost savings and payments of any kind related to the Real Property or any portion thereof; together with all replacements and proceeds of, and additions and accessions to any of the foregoing; together with all books, records and files relating to any of the foregoing.

The Real Property and all other property described above are sometimes hereinafter referred to collectively as the "Collateral".

To the extent any element or portion of the Collateral constitutes personal property, Grantor, as debtor, grants to Beneficiary, as secured party, a security interest therein and in any products or proceeds thereof pursuant to the Uniform Commercial Code of Washington ("UCC") on the terms and conditions contained herein except that where any provision of this Deed of Trust is in conflict with the UCC, the UCC shall control. Beneficiary hereby assigns such security interest to Trustee, in trust, for the benefit of Beneficiary to be dealt with as a portion of the Collateral pursuant to this Deed of Trust except as otherwise specified herein. At the request of Beneficiary, Grantor shall execute and deliver for filing UCC-1 financing statements and such other documents as Beneficiary may reasonably require to perfect its security interest.

As to all of the above described personal property which is or which hereafter becomes a "fixture" under applicable law, this Deed of Trust constitutes a fixture filing under RCW 62A.9-313 and 62A.9-402(b), as amended or recodified from time to time.

This Deed of Trust is for the purpose of securing the performance of each agreement of Grantor herein contained, and payment and performance of each and every obligation of Grantor as set forth in that certain Promissory Note in the principal amount of TWO HUNDRED EIGHTY-EIGHT THOUSAND SEVEN HUNDRED FIFTY AND 0/100 DOLLARS (\$288,750.00) made by Grantor in favor of Beneficiary, of even date herewith and all renewals, modifications and extensions thereof (collectively, "Note").

GRANTOR REPRESENTS AND WARRANTS THAT:

1. Grantor has full power and authority to grant the Real Property to Trustee and warrants the Real Property to be free and clear of all liens, charges and other encumbrances except for matters of record on the date hereof.
2. None of the Real Property is used principally or at all for agricultural or farming purposes.
3. The Real 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 Real Property as security.
4. The loan evidenced by the Note and secured by this Deed of Trust is primarily for commercial, industrial or business purposes and is not primarily for personal, family or household purposes.



TO PROTECT THE SECURITY OF THIS DEED OF TRUST, GRANTOR COVENANTS AND AGREES:

5. To keep the Collateral 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 Collateral.
6. To pay before delinquent all lawful taxes and assessments upon the Collateral, and to keep the Collateral free and clear of all other charges, liens or encumbrances impairing the security of this Deed of Trust except for matters of record on the date hereof.
7. To provide, maintain and deliver to Beneficiary, as further security for the faithful performance of this Deed of Trust, "all risk" insurance covering the perils of fire/extended coverage/vandalism, malicious mischief and casualty in an amount equal to one hundred percent (100%) of the replacement cost of all buildings, improvements, equipment and other personal property constituting part of the Collateral. In the event of foreclosure, all rights of Grantor in insurance policies then in force shall pass to the purchaser at the foreclosure sale.
8. To defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee for matters arising from or after the date hereof, and to pay all costs and expenses, including cost of title search and attorneys' fees in a reasonable amount, in any such action or proceeding, and in any suit brought by Beneficiary to foreclose this Deed of Trust.
9. To pay all reasonable costs, fees and expenses in connection with this Deed of Trust, including the reasonable expenses of the Trustee incurred in enforcing the obligation secured hereby and Trustee's and attorneys' reasonable fees actually incurred, as provided by statute.
10. Should Grantor fail to pay when due any taxes, assessments, insurance premiums, liens, encumbrances or other charges against the Collateral, Beneficiary may pay the same, and the amount so paid, with interest at the rate set forth in the Note, shall be added to and become a part of the debt secured in this Deed of Trust.

IT IS MUTUALLY AGREED THAT:

11. In the event any portion of the Collateral encumbered hereby 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.
12. 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.
13. The Trustee shall reconvey all or any part of the Collateral covered by this Deed of Trust to the person entitled thereto, on written request of Grantor and Beneficiary, or upon satisfaction of the obligation secured hereby and written request for reconveyance made by Beneficiary or the person entitled thereto.
14. Upon default by Grantor in the payment of any indebtedness secured hereby or in the performance of any agreement contained herein, after written notice to Grantor and the expiration of any applicable cure periods hereunder or under the Note, all sums secured hereby shall immediately



become due and payable at the option of Beneficiary. In such event and upon written request of Beneficiary, Trustee shall sell the Collateral, 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: (i) to the expense of the sale, including a reasonable Trustee's fee and attorneys' fees; (ii) to the obligation secured by this Deed of Trust; and (iii) the surplus, if any, shall be distributed to the persons entitled thereto.

15. Trustee shall deliver to the purchaser at the sale its deed, without warranty, which shall convey to the purchaser the interest in the Real Property and assign the other Collateral which Grantor had or had the power to convey at the time of its execution of this Deed of Trust, and such as Grantor may have acquired thereafter. The 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 encumbrancers for value.

16. 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 foreclose this Deed of Trust as a mortgage.

17. In addition and without limitation, upon a default under the Note or this Deed of Trust after written notice to Grantor and the expiration of any applicable cure periods hereunder or under the Note, Beneficiary may (a) apply to a court of competent jurisdiction for and obtain appointment of a receiver of the Collateral as a matter of strict right and without regard to the adequacy of the security for the repayment of the obligations secured hereby, the existence of a declaration that such obligations are immediately due and payable, or the filing of a notice of default, and Grantor hereby consents to such appointment; (b) enter upon, possess, manage and operate the Collateral or any part thereof; (c) take and possess all documents, books, records, papers and accounts of Grantor or the then owner of the Collateral; (d) make, terminate, enforce or modify the Leases upon such terms and conditions as Beneficiary deems proper; and (e) make repairs, alterations and improvements to the Collateral as necessary, in Trustee's or Beneficiary's sole judgment, to protect or enhance the security hereof.

18. In the event of the death, incapacity, disability or resignation of Trustee, 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 any action or proceeding in which Grantor, Trustee or Beneficiary shall be a party unless such action or proceeding is brought by the Trustee.

19. This Deed of Trust applies to, inures to the benefit of, and is binding not only on the parties hereto, but on their heirs, devisees, legatees, administrators, executors and assigns. The term Beneficiary shall mean the holder and owner of the Note, whether or not named as Beneficiary herein.

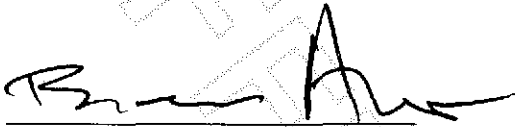
20. Grantor will not sell, transfer, or otherwise convey the Collateral or any interest therein, further encumber the Collateral or any interest therein for monetary indebtedness, cause or permit any change of more than 50% of the beneficial ownership or voting interest in Grantor, or agree to do any of the foregoing, without first repaying in full the Note and all other sums secured hereby.




IN WITNESS WHEREOF, this Deed of Trust has been executed as of the day and year first above written.

ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, EXTEND CREDIT, OR FORBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.

GRANTOR:



Bernard Alonzo



Mary Christine Erickson

STATE OF WASHINGTON

COUNTY OF King

) ss.

I certify that I know or have satisfactory evidence that Bernard Alonzo and Mary Christine Erickson are the persons who appeared before me, and said person acknowledged that said persons signed this instrument and acknowledged it to be the free and voluntary act of such persons for the uses and purposes mentioned in the instrument.

Dated this 2nd day of August, 2012.



(Signature)

STACIA A. CLARK

Notary Public in and for the State of Washington,
residing at Kent, WA

My appointment expires 5-9-15

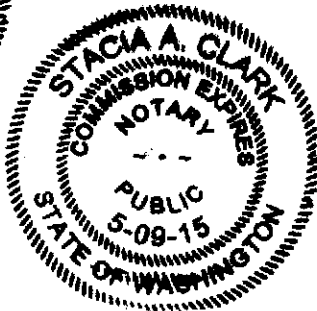


EXHIBIT A

LEGAL DESCRIPTION OF REAL PROPERTY

PARCEL "A":

THAT PORTION OF GOVERNMENT LOT 2, SECTION 33, TOWNSHIP 36 NORTH, RANGE 3 EAST, W.M., SKAGIT COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT 82.5 FEET NORTH OF THE MEANDER CORNER POST IN THE RIGHT BANK OF THE NORTH SAMISH RIVER WHERE THE SECTION LINE BETWEEN SECTIONS 32 AND 33 CROSSES SAID NORTH SAMISH RIVER; THENCE NORTH 265.32 FEET; THENCE EAST 204.6 FEET; THENCE SOUTH 161.04 FEET; THENCE SOUTH 63 DEGREES WEST, 229.68 FEET, MORE OR LESS, TO THE POINT OF BEGINNING.

PARCEL "B":

A PORTION OF GOVERNMENT LOT 2, SECTION 33, TOWNSHIP 36 NORTH, RANGE 3 EAST, W.M., SKAGIT COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

COMMENCING AT THE MEANDER CORNER POST IN THE RIGHT BANK OF THE NORTH SAMISH RIVER WHERE THE WEST LINE SAID SECTION 33 CROSSES SAID NORTH SAMISH RIVER; THENCE ALONG SAID WEST LINE NORTH 00 DEGREES 25'38" EAST A DISTANCE OF 347.82 FEET TO THE NORTHWEST CORNER OF THAT CERTAIN TRACT OF LAND CONVEYED TO HENRI TIMMERS BY DEED RECORDED UNDER FILE NO. 9306210137 IN THE OFFICE OF THE AUDITOR, SAID COUNTY AND STATE, AND THE POINT OF BEGINNING. SAID POINT ALSO BEARS SOUTH 00 DEGREES 25'38" WEST A DISTANCE OF 53.01 FEET FROM A 2" BRASS CAP ON A PIPE MARKING THE WEST QUARTER CORNER OF SAID SECTION 33; THENCE ALONG THE SAID WEST LINE OF SECTION 33, NORTH 00 DEGREES 25'38" EAST A DISTANCE OF 53.01 FEET TO THE SAID WEST QUARTER CORNER; THENCE ALONG THE NORTH LINE OF SAID GOVERNMENT LOT 2, NORTH 89 DEGREES 36'36" EAST A DISTANCE OF 53.83 FEET TO A CURVE TO THE LEFT, HAVING A RADIUS OF 46.49 FEET A CENTRAL ANGLE OF 66 DEGREES 47'19", AN ARC DISTANCE OF 54.20 FEET AND A RADIUS POINT WHICH BEARS NORTH 74 DEGREES 55'19" EAST FROM THE LAST DESCRIBED POINT; THENCE SOUTH 81 DEGREES 52'00" EAST A DISTANCE OF 116.78 FEET TO A CURVE TO THE RIGHT, HAVING A RADIUS OF 50.22 FEET, A CENTRAL ANGLE OF 75 DEGREES 52'26", AN ARC DISTANCE OF 66.50 FEET AND A TANGENT WHICH BEARS THE LAST DESCRIBED COURSE; THENCE ALONG SAID CURVE TO THE EAST LINE OF THAT CERTAIN TRACT OF LAND CONVEYED TO MARK WHEELER AND CYNTHIA JOHNSON BY RECORDING NO. 9508160055 SAID COUNTY AND STATE; THENCE ALONG SAID EAST LINE SOUTH 00 DEGREES 34'02" EAST A DISTANCE OF 170.23 FEET TO THE NORTH SAMISH RIVER; THENCE WESTERLY ALONG SAID NORTH SAMISH RIVER TO AN INTERSECTION WITH THE EAST LINE OF SAID TIMMERS TRACT PROJECTED SOUTHERLY; THENCE NORTH ALONG SAID PROJECTED LINE TO THE SOUTHEAST CORNER OF SAID TIMMERS PROPERTY; THENCE ALONG THE BOUNDARY OF SAID TIMMERS PROPERTY THE FOLLOWING 2 COURSES AND DISTANCES; THENCE NORTH 161.04 FEET; THENCE WEST 204.60 FEET TO THE NORTHWEST CORNER OF SAID TIMMERS PROPERTY AND THE POINT OF RECORDING; EXCEPT ANY PORTION THEREOF LYING WITHIN THE DIKING DISTRICT AND DRAINAGE DISTRICT RIGHT-OF-WAYS.

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