

RECORDING REQUESTED BY AND  
WHEN RECORDED MAIL TO:

Foster Pepper PLLC  
1111 Third Avenue NW, Suite 3400  
Seattle, Washington 98101  
Attn: Christopher S. Napier



201210250096

Skagit County Auditor

10/25/2012 Page 1 of 7 1:16PM

CHICAGO TITLE

020017177-M

DEED OF TRUST, SECURITY AGREEMENT AND FIXTURE FILING

GRANTOR:	Donald M. Campbell and Stacey R. Campbell
GRANTEE/BENEFICIARY:	H. Jon Runstad and Judith Runstad
GRANTEE/TRUSTEE:	Chicago Title Insurance Company
Legal Description:	LOTS 30 AND 31 OF SURVEY #9812030124
Tax Parcel No.:	3809-323-030-0100

### ACCOMMODATION RECORDING

Chicago Title has placed this  
document for recording as a  
customer courtesy and accepts no  
liability for its accuracy or validity

DEED OF TRUST, SECURITY AGREEMENT AND FIXTURE FILING

THIS DEED OF TRUST, SECURITY AGREEMENT AND FIXTURE FILING, is made as of October 18, 2012, between DONALD M. CAMPBELL and STACEY R. CAMPBELL, husband and wife, whose address is 2201 Minnesota Avenue, Anacortes, WA 98221 ("Grantor"), Chicago Title Insurance Company, whose address is 701 Fifth Avenue, Seattle, WA 98104 ("Trustee"), and H. Jon Runstad and Judith Runstad, husband and wife, whose address is 1201 Third Avenue, Suite 2700, Seattle, Washington 98101 ("Beneficiary").

1. Grantor hereby grants, bargains, sells and conveys to Trustee in trust, with power of sale, the real property located in Skagit County, Washington, legally described on Exhibit A attached hereto, which real property is not used principally for agricultural or farming 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 thereof.

2. This Deed of Trust is for the purpose of securing performance of each agreement of Grantor contained herein and repayment of all sums borrowed under that certain Secured Promissory Note of even date herewith (the "Note"), payable to Beneficiary and made by Grantor ("Maker"), with a maximum outstanding principal balance of Three Hundred Thousand Dollars (\$300,000), including any renewals, modifications and extensions thereof, with interest at the rates provided therein. With respect to that portion of the property that constitutes fixtures, it is intended that this Deed of Trust shall be effective as a security agreement with respect to the fixtures and a financing statement filed as a fixture filing from the date of filing of this Deed of Trust in the real property records of the county in which the property is located. Grantor hereby grants Beneficiary a security interest in any fixtures for the purpose of securing performance of each agreement of Grantor contained herein and repayment of the Note. The name of the record owner of the property is the Grantor. Information concerning the security interests created by this instrument may be obtained from the Beneficiary, as secured party, at its address set forth above. The address of Grantor, as debtor, is set forth above. This instrument covers goods and other personal property which are or are to become fixtures.

To protect the security of this Deed of Trust, Grantor covenants and agrees:

3. To keep the property in good condition and repair; to permit no waste thereof; and to comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting the property.

4. 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.

5. To keep all buildings now or hereafter erected on the property described herein 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 with 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. The amount collected under any insurance policy may be applied upon any indebtedness hereby secured in such order as the Beneficiary shall determine. In the event of foreclosure, all rights of the Grantor in insurance policies then in force shall pass to the purchaser at the foreclosure sale.



6. 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.

7. 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 hereby and Trustee's and attorney's fees actually incurred, as provided by statute.

8. Should Grantor fail to pay when due any taxes, assessments, insurance premiums, liens, encumbrances or other charges against the property hereinabove described, 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 by this Deed of Trust.

IT IS MUTUALLY AGREED THAT:

9. 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 hereby, shall be paid to Beneficiary to be applied to said obligation.

10. 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.

11. The property described in this Deed of Trust may not be sold, transferred or encumbered, without Beneficiary's prior written consent.

12. 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 and the Beneficiary, or upon satisfaction of the obligation secured and written request for reconveyance made by the Beneficiary or the person entitled thereto.

13. Any of the following shall constitute a default hereunder: (i) Grantor is in default under the Note when due or (ii) Grantor fails to perform any covenant or obligation of Grantor hereunder. Grantor shall have ten (10) days to cure a default other than a breach under Section 11 of this Deed of Trust. Upon the occurrence of an uncured default and, except for a breach under Section 11 of this Deed of Trust, after the ten (10) day cure period, all sums secured hereby shall immediately become due and payable, without notice or demand, at the option of Beneficiary, and Beneficiary may (a) foreclosure this deed of trust judicially, in the same manner as a mortgage; (b) cause the Trustee to exercise its power of sale in accordance with the procedures set forth in the Deed of Trust Act of the State of Washington RCW 61.24, as now existing or hereafter amended, or (c) sue on the Note according to law. To the extent permitted by law, including, without limitation RCW Ch. 61.24.100, Beneficiary shall have the right to seek and obtain a deficiency judgment following the completion of a judicial foreclosure or a Trustee's sale of all or part of the property. Any person except Trustee may bid at Trustee's sale. Trustee shall apply the proceeds of any Trustee's sale as follows: (1) to the expense of the sale, including a reasonable Trustee's fee and attorney's fee; (2) to the obligations



secured by this Deed of Trust; (3) the surplus, if any, shall be distributed to the persons entitled thereto.

14. Trustee shall deliver to the purchaser at the sale its deed, without warranty, which shall convey to the purchaser the interest in the property which Grantor had or had the power to convey at the time of her execution of this Deed of Trust, and such as she 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.

15. 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.

16. 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 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 the pending sale under any other Deed of Trust or of any action or proceeding in which the Grantor, Trustee or Beneficiary shall be a party unless such action or proceeding is brought by the Trustee.

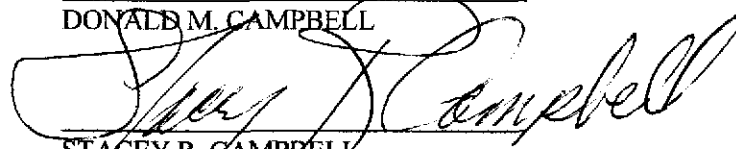
17. This Deed of Trust applies to, and inures to the benefit of, and is binding not only on the parties hereto, but on their heirs, devisees, legatees, administrators, executors and assigns. The term Beneficiary shall mean the holder and owner of the Note secured hereby, whether or not named as Beneficiary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

18. All obligations, representations and any warranties of Maker under this Deed of Trust and any documents executed herewith are made in Maker's representative capacity as Trustees and not in any individual capacity.

IN WITNESS WHEREOF, Grantor has caused this Deed of Trust to be duly executed and delivered as of the date first above written.

GRANTOR:

  
DONALD M. CAMPBELL

  
STACEY R. CAMPBELL



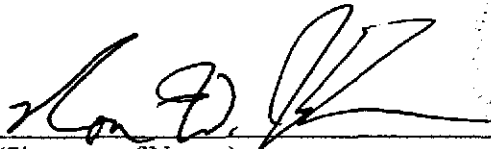
ACKNOWLEDGEMENT OF GRANTOR

STATE OF Washington )  
COUNTY OF Skagit ) ss.

I certify that I know or have satisfactory evidence that DONALD M. CAMPBELL is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in the instrument.

Witness my hand and official seal.

Dated: October 18, 2012.

  
(Signature of Notary)

Ron W. Johnson  
(Legibly Print or Stamp Name of Notary)

Notary public in and for the state of: Washington  
Residing at: Mount Vernon, Washington  
My appointment expires: 12/6/2013



ACKNOWLEDGEMENT OF GRANTOR

STATE OF Washington )  
COUNTY OF Skagit ) ss.

I certify that I know or have satisfactory evidence that STACEY R. CAMPBELL is the person who appeared before me, and said person acknowledged that she signed this instrument, on oath stated that she was authorized to execute the instrument and acknowledged it to be her free and voluntary act for the uses and purposes mentioned in the instrument.

Witness my hand and official seal.

Dated: October 10, 2012.

Ron W. Johnson  
(Signature of Notary)  
Ron W. Johnson  
(Legibly Print or Stamp Name of Notary)

Notary public in and for the state of: Washington  
Residing at: Mount Vernon, Washington  
My appointment expires: 12/6/2013



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Skagit County Auditor

EXHIBIT A

Legal Description

LOTS 30 AND 31 OF SURVEY RECORDED DECEMBER 3, 1998 IN VOLUME 21 OF SURVEYS, PAGES 85 THROUGH 87, UNDER AUDITOR'S FILE NO. 9812030124, RECORDS OF SKAGIT COUNTY, WASHINGTON; BEING A PORTION OF BLOCK 1122, NORTHERN PACIFIC ADDITION TO ANACORTES, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 2 OF PLATS, PAGES 9 THROUGH 11, RECORDS OF SKAGIT COUNTY, WASHINGTON.

SITUATE IN SKAGIT COUNTY, WASHINGTON.

EXHIBIT A  
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