



201306260021

Skagit County Auditor

\$78.00

6/26/2013 Page

1 of

6 10:18AM

Filed for record at the request of:

Puget Sound Investors

P.O. Box 2116

Mount Vernon, WA 98273

GUARDIAN NORTHWEST TITLE CO.

DOCUMENT TITLE: DEED OF TRUST**GRANTOR: MCDANIEL, G. DUFF and MCDANIEL, LINDA L.****GRANTEE/BENE.: EQUITY TRUST COMPANY CUSTODIAN FBO JAMES A. COOK IRA****GRANTEE/TRUSTEE: GUARDIAN NORTHWEST TITLE AND ESCROW COMPANY****LEGAL DESC.: SKAGIT COUNTY: Section 35, Township 36 North, Range 2 East; Ptn. of Gov't Lot 3 aka Lots B and C, unrecorded Short Plat 15-73****TAX PARCEL NO: OKANOGAN COUNTY: TAX 30 NE SE S/RIV 11-33-21****SKAGIT COUNTY: P109858, 360235-1-014-0000****P109859, 360235-1-015-0000****OKANOGAN COUNTY: 3321110030****DEED OF TRUST**

THIS DEED OF TRUST, made this 24th day of June, 2013, between G. DUFF MCDANIEL and LINDA L. MCDANIEL, husband and wife, GRANTORS, whose address is 10611 Samish Island Rd., Bow, WA 98232, GUARDIAN NORTHWEST TITLE AND ESCROW COMPANY, a Washington Corporation, TRUSTEE, the address of which is P.O. Box 1667, Mount Vernon, WA 98273, and EQUITY TRUST COMPANY CUSTODIAN FBO JAMES A. COOK IRA, BENEFICIARY, the address of which is 1101 Wooded Acres, Suite 102, Waco, TX 76710.

WITNESSETH: Grantors, 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 promissory note of even date, with interest thereon, and any other sums payable thereunder and hereunder, and to secure the performance of the obligations contained herein, grant, bargain, sell and convey to Trustee and its successors and assigns forever, in trust, with power of sale, right of entry, and possession and for the benefit of the Beneficiaries, all of Grantor's estate, right, title, interest, claim and demand in the properties located in Skagit County and Okanogan County, State of Washington, described as follows:

(a) Legal Description:

Attached hereto as Exhibit "A" and incorporated herein by this reference

- (b) All buildings, structures and other improvements now or hereafter erected on the real property;
- (c) All fixtures and trade fixtures used in association with the improvements on the real property;
- (d) All personal property placed upon or used in conjunction with the real property;
- (e) All of the Grantors' rights as landlord in and to all existing and future leases and tenancies, whether written or oral, and any issues or profits thereof.
- (f) The rights to the proceeds of sale of any of the foregoing.

The described real property is not used principally for agricultural purposes (which is defined as an operation to produce crops, livestock or aquatic goods), 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.

This deed is for the purpose of securing performance of each agreement of grantor herein contained, and payment of the sum of **ONE HUNDRED THIRTY THOUSAND AND NO/100 DOLLARS (US \$130,000.00)** with interest, in accordance with the terms of a promissory note of even date herewith, payable to Beneficiary or order, and made by Grantors, and all renewals, modifications and extensions thereof, and also such further sums as may be advanced or loaned by Beneficiary to Grantors, or any of their successors or assigns, together with interest thereon at such rate as shall be agreed upon. The term "Grantor" as used in this agreement includes the "Borrower" as defined in RCW 61.24, if the Borrower is a person or entity other than the Grantor.

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 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 property.
2. Grantors shall not cause, conduct or permit any nuisance nor commit, permit, or suffer any stripping of or waste on or to the property or any portion of the property. Without limiting the generality of the foregoing, Grantors will not remove, or grant to any other party the right to remove, any timber, minerals (including oil and gas), soil, gravel, or rock products without the prior written consent of Lender.
3. Lender and its agents and representatives may enter upon the Real Property at all reasonable times to attend to Lenders interests and to inspect the property for purposes of Grantors compliance with the terms and conditions of this Deed of Trust.
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 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 hereby secured 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.
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 fees, attorney's fees, appraisal fees (including those related to any action for a deficiency judgment) actually incurred, as provided by statute.
8. Should Grantors 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 secured hereby, shall be added to and become a part of the debt secured in this Deed of Trust.

IT IS MUTUALLY AGREED THAT:

1. 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.

2. 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.

3. 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.

4. Each of the following, at the option of the Beneficiary, shall constitute an event of default under this Deed of Trust:

a. Default in Indebtedness: Failure of Grantors to make any payment when due on the indebtedness.

b. Default on Other Payments: Failure of Grantors within the time required by this Deed of Trust to make any payment for taxes or any other payment necessary to prevent filing of or to effect discharge of any lien.

c. Compliance Default: Failure of Grantors to comply with any other term, obligation, covenant or condition contained in this Deed of Trust or Note.

d. Defective Collateralization: This Deed of Trust ceases to be in full force and effect at any time for any reason.

e. Foreclosure: Commencement of foreclosure proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Grantors or by any governmental agency against any of the real property described herein.

5. Upon occurrence of any event of default and at any time thereafter, all sums secured hereby shall immediately become due and payable, at the option of the Beneficiary. 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. Pursuant to RCW 62.9-501(4), if this deed of trust encumbers both real and personal property, the trustee is authorized to sell all or any portion of the grantor's interest in the real and personal property at the trustee's sale. 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; (3) the surplus, if any, shall be distributed to the persons entitled thereto. With regard to any personal property, fixtures, assignments of choses, such security may be foreclosed as provided herein, or as may otherwise be provided by law.

6. Nothing herein contained shall prohibit Beneficiary from pursuing any other remedy available to it or its successor at law. Specifically, Beneficiary or Trustee shall be entitled to take possession of any property defined as security hereunder, to marshal the assets defined as security hereunder, and to the appointment of a receiver in the manner provided by law, without regard to the sufficiency of the property or any other security for the indebtedness secured hereby, which receiver shall be entitled to collect the rents, profits, proceeds of sale, or other income generated by the property used as security hereunder, and the application of such sums to the indebtedness owed Beneficiary. Beneficiary, or Beneficiary's agent or designee, shall be entitled to act in the capacity of receiver without necessity of appointment by the court having jurisdiction, and without bond. In the event Beneficiary obtains the appointment of a receiver from a court of competent jurisdiction, Beneficiary may so act or may designate Beneficiary's agent so to act, without bond to the extent allowed by law. The costs of such receivership shall be added to and become a part of the debt secured by this Deed of Trust.

7. 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 his execution of this Deed of Trust, and such as he 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 purchasers and encumbrancers for value.

8. 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.

9. In the event of the death, incapacity, disability or resignation of Trustee or the election of the beneficiary to replace the 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



201306260021

10. 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 secured hereby, whether or not named as Beneficiary herein.

Address for Service of Process: 10611 Samish Island Rd., Bow, WA 98232

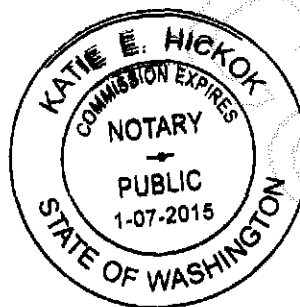
G. DUFF MCDANIEL

Linda L. McDaniel
LINDA L. MCDANIEL

STATE OF WASHINGTON)
County of Skagit) ss.

Witness my hand and official seal this 24th day of June, 2013.

My appointment expires: 1-7-15



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REQUEST FOR FULL RECONVEYANCE

Do Not Record. 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 this _____ day of _____, 20____.



201306260021

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\$78.00

6/26/2013 Page

5 of

6 10:18AM

Exhibit 'A'

Skagit County:

Real property in the County of Skagit, State of Washington, described as follows:

The West 278 feet of Government Lot 3 of Section 35, Township 36 North, Range 2 East, W.M., EXCEPT County Road AND EXCEPT that portion thereof lying Southerly of the County Road; AND ALSO EXCEPT the following described Tracts:

1. Beginning at the intersection of the West line of said Government Lot 3 and the North line of the County Road; thence North along the West line of said Government Lot 3, a distance of 170 feet to the true point of beginning of this description; thence East to a point 80 feet East of the West line of said Government Lot 3; thence North, parallel to, and 80 feet East of the West line of said Government Lot 3, a distance of 200 feet; thence West a distance of 80 feet to a point on the West line of said Government Lot 3; thence South a distance of 200 feet to the true point of beginning.

2. Beginning at the North intersection of the West line of Government Lot 3 and the North line of the County Road; thence North along the West line of the said Government Lot 3 a distance of 170 feet; thence East to a point 80 feet East of the West line of Government Lot 3; thence South parallel to and 80 feet East of the West line of said Government Lot 3 to a point on the North line of the County Road; thence West along the North line of the County Road to the true point of beginning.

3. The East 198 feet of the West 278 feet of that portion of Government Lot 3, Section 35, Township 36 North, Range 2 East, W.M., lying North of the County road, EXCEPT the North 350 feet thereof.

SUBJECT TO and TOGETHER WITH a non-exclusive Easement for ingress, egress and utility purposes, over, across and through the East 60 feet of the West 140 feet of that portion of said Government Lot 3 lying North of the County road, EXCEPT the North 350 feet thereof.

(Also known as Tracts "B" and "C" of unrecorded Short Plat 15-73)

Okanogan County:

The Northeast quarter of the Southeast quarter of Section 11, Township 33 North, Range 21 E.W.M., lying South of the Twisp River, in Okanogan County, Washington.