

Filed for Record at the Request of:
BETTS AUSTIN JOHNSON, P.L.L.C.
2200 Rimland Drive, Suite 230
Bellingham, WA 98226



Skagit County Auditor
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Document Title: Deed of Trust
Reference No. of Documents Released/Assigned: N/A
Grantor: AARON B.U. BUTCHER, a single person
Trustee: CHICAGO TITLE INSURANCE COMPANY, a Washington corporation
Beneficiary: RON BUTCHER and DAPHNE BUTCHER, husband and wife
Abbreviated Legal: S ½ of the SE ¼ of SW ¼, SECTION 7 TWN 36N R 4 E
Full legal description detailed on page 6 of this Deed of Trust
Assessor's Tax Parcel ID #: P49042

DEED OF TRUST

THIS DEED OF TRUST, made this 4 day of September, 2013, between AARON B.U. BUTCHER, a single person ["Grantor"], whose address is 18757 Colony Road, Bow, Washington 98230, CHICAGO TITLE INSURANCE COMPANY, ["Trustee"], whose address is 1616 Cornwall Avenue, Suite 115, Bellingham, Washington 98225, and RON BUTCHER and DAPHNE BUTCHER, husband and wife ["Beneficiary"], whose address is 5027 Drayton Harbor Road, Blaine, WA 98230.

WITNESSETH:

Grantor bargains, sells and conveys to Trustee in Trust, with power of sale, the following described real property in Skagit County, Washington located at 18757 Colony Road, Bow, Washington 98230:

Legal description attached hereto as Exhibit "A",

which real property is not used principally for agricultural purposes, together with all the tenements, hereditaments and appurtenances now or hereafter belonging or in any way appertaining and the rents, issues and profits.

This deed is for the purpose of securing performance of each agreement of Grantor herein contained, and payment of the sum of One Hundred Fifty Thousand Dollars [\$150,000.00], with interest, in accordance with the terms of a Promissory Note of even date herewith, payable to Beneficiary or order, and made by Grantor, and all renewals, modifications and extensions thereof, and also such further sums as may be advanced or loaned by Beneficiary to Grantor, or any of their successors or assigns, together with interest thereon at such rate as shall be agreed upon.

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

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. 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.

3. 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 Grantor. 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 Grantor in insurance policies then in force shall pass to the purchaser at the foreclosure sale.

4. 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.

5. 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.

6. 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 secured hereby, shall be added to and become a part of the debt secured by this Deed of Trust.

7. No portion of the loan proceeds secured by this Deed of Trust shall be used for any personal, family or household purpose.

8. The Grantor agrees to pay for any property appraisals that may be required in connection with a deficiency judgment proceeding.

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 thereof as may be necessary to fully satisfy the obligation secured hereby, shall be paid to Beneficiary to be applied to said obligation after the payment on any existing or future Deeds of Trust to financial institutions.

2. The rights of the Beneficiary with respect to this Deed of Trust shall be subordinated to the principal of and accrued and unpaid interest [whether accruing on or after the filing of any petition in bankruptcy or for reorganization relating to Borrower] on any secured indebtedness of Grantor for money borrowed from an institutional lender, as outstanding on this date.

3. 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.

4. 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.

5. Upon default by Grantor in the payment of any indebtedness secured hereby or in the performance of any agreement contained herein, 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 or its authorized agent shall sell the trust property, in accordance with the Deed of Trust Act of the State of Washington, [as amended], 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: [1] to the expense of sale, including a reasonable Trustee's fee and attorney's fee; [2] to any existing or future corporate financing secured by a Deed of Trust on the trust property; [3] to the obligation secured by this Deed of Trust; [4] the surplus, if any, shall be distributed to the persons entitled thereto or may be deposited [less clerk's filing fee] with the clerk of the Superior Court of the county in which sale takes place.



6. 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 their execution of this Deed of Trust, and such as they 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 encumbrances for value.

7. 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.

8. In the event of the death, incapacity, disability or resignation of Trustee, Beneficiary shall 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.

9. The promissory note secured by this Deed of Trust shall be immediately due upon the sale or transfer of all or any portion of Grantor' interest in the secured property.

10. Should Beneficiary retain the services of an attorney to enforce any provision herein the Grantor shall be obligated to pay the attorney fees and costs incurred therein.

11. 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, successors and assigns. The term Beneficiary shall mean the holder and owner of the note secured hereby, whether or not named as Beneficiary herein.

GRANTOR:



AARON B.U. BUTCHER

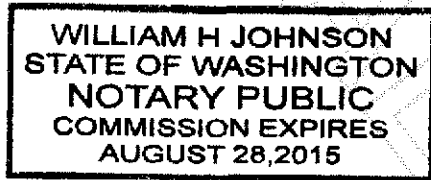


STATE OF WASHINGTON)
) ss.
COUNTY OF WHATCOM)

I certify that I know or have satisfactory evidence that AARON B.U. BUTCHER 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.

DATED: September 4, 2013.

(SEAL)



William H. Johnson
NOTARY PUBLIC
My appointment expires: 8/28/2015

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EXHIBIT A

Tax Parcel No.: P49042
Site Address: 18757 Colony Road, Bow, WA 98232

The South ½ of the following described tract:

That portion of the Southeast ¼ of the Southwest ¼ of section 7, Township 36 North, Range 4 East, W.M., lying Westerly of the Colony County Road, as it existed November 1, 1969, and lying Southerly of the Alger Lake Samish Country Road as it exists November 1, 1969.

EXCEPT roads.

Situate in the County of Skagit, State of Washington.



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