

199907260128

Kathy Hill, Skagit County Auditor
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AFTER RECORDING MAIL TO:

Name **First American Title of Skagit County**

Address **1301-B Riverside Drive, Mount Vernon, WA 98273**

City, State, Zip

DEED OF TRUST

(For use in the state of Washington only)

FIRST AMERICAN TITLE CO.
58859E-2

THIS DEED OF TRUST, made this 12th day of July, 99, between **TOD QUEEN and SHERI QUEEN, Husband and Wife**, GRANTOR, whose address is **733 JOHN LINER RD, SEDRO WOOLLEY, WA 98284**, **FIRST AMERICAN TITLE COMPANY, A CALIFORNIA CORPORATION TRUSTEE**, whose address is **1301-B RIVERSIDE DRIVE, MT, VERNON, WA 98273**, and **ERNA MUNSKE**, BENEFICIARY, whose address is **6810 40TH NE, SEATTLE, WA 98115**.

WITNESSETH: Grantor hereby bargains, sells and conveys to Trustee in Trust, with power of sale, the following described real property in **Skagit County, Washington**:

Those portions of the North 1/2 of Section 11, Twpshp 35 North, Range 4 East W.M. described on Exhibit A " hereto

Assessor's Property Tax Parcel Account Number(s): **350411-2-002-0006(R36185)**

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

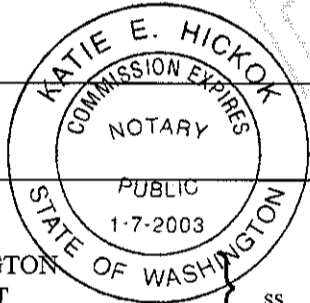
This deed is for the purpose of securing performance of each agreement of Grantor herein contained, and payment of the sum of **Forty Thousand And 00/100 Dollars (\$40,000.00)** with interest, in accordance with the terms of a promissory note of even date herewith, payable to Beneficiary or order, and 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 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 thereof 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 Trustees 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. 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 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. 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 the obligation secured by this Deed of Trust; (3) the surplus, if any, shall be distributed to the persons entitled thereto.
5. 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 encumbrances for value.
6. 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.
7. In the event of the death, incapacity or 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.
8. 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.



Tod Queen

 TOD QUEEN
Sheri Queen

 SHERI QUEEN

STATE OF WASHINGTON
 COUNTY OF SKAGIT

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I certify that I know or have satisfactory evidence that **TOD QUEEN and SHERI QUEEN** are the persons who appeared before me, and said persons acknowledged that **THEY** signed this instrument and acknowledged it to be **THEIR** free and voluntary act for the uses and purposes mentioned in this instrument.

Dated: *July 23 1999*

Katie E Hickok

 Notary Public in and for the State of Washington
 Residing at **MT. VERNON**
 My appointment expires: **1-7-2003**

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 _____

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EXHIBIT "A"

The land referred to herein is situated in the County of Skagit, State of Washington, and is described as follows:

Lot 4, of Skagit County Short Plat No. 97-0003, approved May 12, 1998, and recorded May 13, 1998, as Auditor's File No. 9805130062, in Volume 13 of Short Plats, Page 124, records of Skagit County, Washington, being a portion of the North 1/2 of Section 11, Township 35 North, Range 4 East, W.M.,

TOGETHER WITH a non-exclusive easement for ingress, egress and utilities over, across and under Erna Lane, as delineated on the face of the Short Plat.

This Deed of Trust is second and subject to an existing deed of trust wherein P.J. Vertin and Bonnie M. Vertin, husband and wife are beneficiaries and beneficiary herein is the Grantor, which Deed of Trust is dated June 29, 1994, and recorded July 26, 1994 under Auditor's File No. 9407260030, reflecting an original balance due on the Note secured by said Deed of Trust in the amount of \$59,200.00, payable by the beneficiary herein. Should the beneficiary default in any of the installments due on the note secured by said deed of trust, the Grantor herein may make such payments directly to P.J. Vertin and Bonnie M. Vertin, husband and wife, and all such payments shall be credited to the unpaid balances of the note secured by this deed of trust.



"RESERVING TO the grantor, the right to expand the burden of the non-exclusive easement(s) to benefit additional land in the North 1/2 of Section 11, over, along, under and across the 60-foot easements for ingress, egress and utilities dedicated in Skagit County Short Plat Nos.: 97-0051, 97-0003 and 99-0011, as Erna Lane and Beaver Pond Way, all in Section 11, Township 35 North, Range 4 East, W.M., Skagit County, Washington, and to impose a duty to maintain, in proportion to use, the said non-exclusive easements, all as more particularly described in that certain Non-exclusive Easement and Maintenance Declaration dated May 1, 1998, and recorded under Auditor's File No. 9805130064, and Non-exclusive Easement and Maintenance Declaration dated February 22, 1999, and recorded under Auditor's File No. 9903180009, records of Skagit County, Washington.

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RIDER TO DEED OF TRUST

This is an all-inclusive Deed of Trust, securing a Promissory Note with an original principal amount of \$ 40,000.00, (hereinafter referred to as the "Note") which includes within such amount the unpaid principal amount of a promissory Note with a principal amount of \$ 59,200.00. This latter promissory Note is secured by a single Deed of Trust in favor of

(said promissory Note and Deed of Trust hereinafter referred to as the "obligation"). At all times, the equity of the payee of this Note shall be the difference between the unpaid balance of this note and the unpaid balance of the Note secured by the first Deed of Trust and is subject to the right of offset as set forth therein.

Beneficiary does hereby agree with Grantor to discharge the "obligation" in accordance with its terms and to indemnify, defend and hold Grantor harmless from any liability resulting from the failure of the Beneficiary to so discharge the "obligation". Grantor may, at his option and regardless of any default by Beneficiary, pay and discharge the "obligation" as the same becomes due and credit any and all such payments against the payments next becoming due under the "Note".

If Beneficiary defaults in his duty to discharge the "obligation", Grantor shall have the right at his option to cure Beneficiary's default by taking any action necessary to do so, including, without limitation, making payments (including but not limited to principal, interest, penalties and attorneys fees) and, in the event of each such curing, shall have alternatively at its option, the right to credit any and all such payments (including interest at the rate of 10% per annum on such payments commencing from the date advanced) against the payments (whether principal or interest or a combination of both) next becoming due under the "Note" or the right of immediate recovery from Beneficiary of the amount of such payments (including interest thereon as specified above).

The Grantor shall not be required under the terms of this Deed of Trust to procure fire insurance in any amount in excess of \$. All fire and other insurance proceeds and any award of damage for any injury to or in connection with any condemnation for public use of said property or any portion thereof received and retained by the Beneficiary under this Deed of Trust or the Beneficiary under the "obligation" shall be applied against the "obligation" and shall result in a reduction in the like amount against the indebtedness due on the "Note". In the event the Grantor prepays principal on the "Note", such prepayment shall be applied against the "obligation".

Beneficiary agrees to request, at Grantor's expense, not less than annually, a beneficiary statement from the beneficiary of the "obligation" showing the unpaid balance of principal and interest under the "obligation" and to forward a copy of the same to the Grantor.

Irrespective of any provision of this Deed of Trust to the contrary notwithstanding, any claim or demand for sale delivered to the Trustee for foreclosure of this Deed of Trust shall be reduced by such unpaid balances, if any, of principal, interest and charges existing upon the "obligation" as exists at the time of the Trustee's sale upon such foreclosure, satisfactory evidence of which unpaid balance must be submitted to Trustee prior to such sale.

Executed as of the same date and year as the Deed of Trust to which this rider is attached.

Tod Queen
Tod Queen

Sheri Queen
Sheri Queen

— *199907260128*

Erna Munske by Randal I
Erna Munske Munske POA