



199908310125

Kathy Hill, Skagit County Auditor

8/31/1999 Page 1 of 5 3:44:48PM

FILED FOR RECORD AT REQUEST OF:

Puget Sound Investors
P.O. Box 2116
Mount Vernon, WA 98273

DOCUMENT TITLE:	DEED OF TRUST
GRANTORS:	WILLIAMS, VIRGINIA J.
GRANTEE/BENEFICIARY:	SOUZA, JOSEPH P.
GRANTEE/TRUSTEE:	FIRST AMERICAN TITLE INSURANCE CO.
LEGAL DESC.:	Lot 12, "Mt. Baker View Addition"
TAX PARCEL NO.:	3745-000-012-0018 (R53755)

FIRST AMERICAN TITLE CO.

59151E-2

FIRST DEED OF TRUST

THIS DEED OF TRUST, made this 31ST day of August, 1999, between VIRGINIA J. WILLIAMS, GRANTOR, whose address is 620 North 21st St., Mount Vernon, WA 98273, FIRST AMERICAN TITLE INSURANCE CO., a California Corporation, TRUSTEE, whose address is P.O. Box 1667, Mount Vernon, WA 98273, and JOSEPH P. SOUZA, BENEFICIARY, whose address is 168-A Swinomish Dr., LaConner, WA 98257, WITNESSETH: Grantor hereby bargains, sells and conveys to Trustee in Trust, with power of sale, right of entry, and possession and for the benefit of the Beneficiaries, all of Grantor's right, title and interest in and to the following described real property, together with all buildings and improvements; all easements, rights of way, and appurtenances; all water, water rights and ditch rights; and all other rights relating to the real property, located in Skagit County, State of Washington:

Tract 12, "CORRECTED PLAT OF A PORTION OF MOUNT BAKER VIEW ADDITION" as per plat recorded in Volume 7 of Plats, Page 73, records of Skagit County, Washington.

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 **THIRTY THREE THOUSAND AND NO/100 Dollars (\$33,000.00)** 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. 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, 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. 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:

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

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.

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

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

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.

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 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.

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 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,
p. 3 - Deed of Trust



199908310125

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8/31/1999 Page 3 of 5 3:44:48PM

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. 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.

10. This Deed of Trust is personal to the Grantors herein. In the event of the sale, lease, assignment or transfer of all or a part of the Grantors interest in the real property, whether legal, beneficial or equitable, the full balance of principal and interest due on the Note secured by this Deed of Trust shall be due and payable in full.

Virginia J. Williams
VIRGINIA J. WILLIAMS

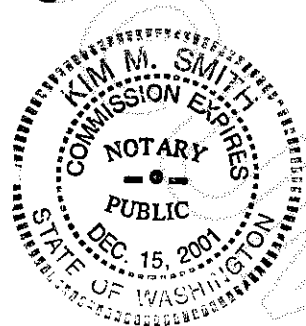
Grantor's Street address:
620 North 21st St.
Mount Vernon, WA 98273

STATE OF WASHINGTON)
) ss.
County of Skagit)

On this day personally appeared before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, VIRGINIA J. WILLIAMS, to me known to be individual described in and who executed the foregoing instrument, and acknowledged that she signed the said instrument as her free and voluntary act and deed for the uses and purposes therein mentioned.

Witness my hand and official seal this 31ST day of August, 1999.

Kim M. Smith
NOTARY PUBLIC in and for the State of
Washington, residing at Mt. Vernon
My appointment expires 12/15/2001



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 _____, 19____.



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