



199910270075

Kathy Hill, Skagit County Auditor

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AFTER RECORDING, MAIL TO:
MELLON BANK, N.A.
P.O. BOX 149
Pittsburgh, PA 15230-0149

Open-End Deed of Trust



NOTICE: THIS IS A CREDIT LINE DEED OF TRUST. THIS DOCUMENT CONTAINS PROVISIONS FOR A VARIABLE INTEREST RATE.

Washington - Residential Property

IL-1231WA Rev.(3/97) L.C. 297 LD 10/97

WILLIAM H. TURNER

SALLY C. TURNER

Grantor (Trustor):

Grantee (Beneficiary): MELLON BANK, N. A.

Grantee (Trustee): STEWART TITLE COMPANY

Legal Description (abbreviated): CITY ANACORTES, COUNTY SKAGIT, STATE WASHINGTON
BOOK 91110400084 LOT 3, PLAT NO. 61-89. Additional legal(s) on Exhibit A

Assessor's Tax Parcel ID #: 340112-0-035-0608

Reference Nos. of Documents Released or Assigned:

This Deed of Trust is made this 13 day of OCTOBER, 1999, between

WILLIAM H. TURNER HUSBAND

SALLY C. TURNER WIFE

(hereinafter called "Trustor"), whose mailing address is:

13725 GOODMAN LN
ANACORTES WA 98221

and STEWART TITLE COMPANY

(hereinafter called "Trustee"), whose address is

1201 3RD AVENUE SUITE 3800

SEATTLE WA 98101

for the benefit of MELLON BANK, N. A.

(hereinafter called "Beneficiary") whose address is

152-0825, P.O. Box 535002
Pittsburgh, PA 15230-5002

As used herein, the term "Trustor" refers individually and collectively to all Trustors, and all such persons shall be jointly and severally bound by the terms hereof.

WHEREAS, WILLIAM H TURNER
SALLY C TURNER

(hereinafter individually and collectively called "Borrower")

(has) (have) entered into an agreement (the "Agreement")

dated OCTOBER 13, 1999, with Beneficiary pursuant to which Borrower is entitled to obtain advances from Beneficiary from time to time in an amount not to exceed at any one time, in the aggregate, \$ 99,999.99, which Agreement evidences Borrower's obligation to pay loans and advances made under the Agreement:

NOW, THEREFORE, to induce Beneficiary to make loans and advances to or on behalf of Borrower pursuant to the Agreement, to secure the payment of all sums due or which may become due under the Agreement and any and all extensions or renewals thereof in whole or in part (all of which is hereinafter called the "Obligation"), and to secure performance of all obligations under the Agreement and this Deed of Trust, Trustor by these presents, intending to be legally bound, does grant, bargain, sell, and convey unto Trustee all that certain property situated in SKAGIT City/County, Washington, and more particularly described in Exhibit "A" attached hereto and made a part hereof;

TOGETHER WITH ALL the buildings and improvements now or hereafter erected thereon, the privileges and appurtenances thereunto belonging, and the reversions and remainders, rents, issues, and profits thereof (all of which is hereinafter called the "Property");

TO HAVE AND TO HOLD the same unto Trustee in trust, with power of sale.

PROVIDED, HOWEVER, that if the principal amount of the Obligation (which is the outstanding principal balance of loans or advances made pursuant to the Agreement and any amounts which Beneficiary has elected to pay under Paragraphs Fifth and Eighth hereof) shall at any time exceed the credit limit stated in the Agreement, which is \$ 99,999.99, any amount in excess of the credit limit shall not be secured by this Deed of Trust; and provided further that upon payment in full of the Obligation and cancellation of the Agreement, Beneficiary shall request Trustee to release this Deed of Trust and shall produce for Trustee duly canceled all notes evidencing indebtedness secured hereby. Trustee shall release this Deed of Trust without further inquiry or liability.

TRUSTOR and BENEFICIARY represent, warrant, covenant, and agree as follows:

FIRST: This Deed of Trust shall secure not only existing indebtedness, but also future advances made pursuant to the Agreement (the terms of which are incorporated herein by reference as if fully set forth), and shall continue in full force and effect, although there may be no advances made at the time of execution of this Deed of Trust and although there may be no indebtedness outstanding at the time any advance is made; and this Deed of Trust shall be released only upon the occurrence of the conditions stated above.

SECOND: Trustor will keep and perform all the covenants and agreements contained herein.

THIRD: Except as permitted by federal law as of the date of this Deed of Trust, without prior written consent of Beneficiary, Trustor shall not cause or permit legal or equitable title to all or part of the Property or an interest therein to become vested in any other person or entity by sale, operation of law, or in any other manner, whether voluntarily or involuntarily.

FOURTH: Trustor warrants that Trustor owns the fee simple title to the Property free and clear of all liens, claims, and encumbrances except those to which Beneficiary has consented in writing. Trustor covenants that the Property shall continue to be held free and clear of all liens, claims, and encumbrances except: (1) where permitted by applicable law as of the date of this Deed of Trust, or (2) when expressly permitted by Beneficiary in writing.

FIFTH: Trustor will pay when due all taxes, assessments, levies, and other charges on or against the Property which may attain priority over this Deed of Trust. If Trustor fails to do so, at its sole option Beneficiary may elect to pay such taxes, assessments, levies, or other charges. At Beneficiary's request, Trustor shall deliver written evidence of all such payments to Beneficiary.

SIXTH: Trustor shall keep the Property in good repair, excepting only reasonable wear and tear. Trustor will permit Beneficiary's authorized representatives to enter upon the Property at any reasonable time for the purpose of inspecting the condition of the Property. Without the written consent of Beneficiary, Trustor will not permit removal or demolition of improvements now or hereafter erected on the Property, nor will Trustor permit waste of the Property or alteration of improvements now or hereafter erected on the property which would adversely affect its market value as determined by Beneficiary.

SEVENTH: The term "hazardous substances" includes any substances, materials, or wastes that are or become regulated by any governmental authority because of toxic, flammable, explosive, corrosive, reactive, radioactive, or other properties that may be hazardous to human health or the environment, as well as any materials or substances that are listed in the United States Department of Transportation Hazardous Materials Table, as amended from time to time.

Trustor warrants that the Property does not contain any hazardous substances and that no physical conditions hazardous to human health or safety are present on the Property, except as previously disclosed to Beneficiary in writing. Trustor will neither cause nor permit the deposit, creation, or presence of any hazardous substances or the creation or existence of any physical condition hazardous to human health or safety on the Property. Trustor will comply at Trustor's expense with all laws, regulations, rules, ordinances, and orders of courts or governmental agencies regarding the Property, now or hereafter in existence, including, but not limited to those relating to hazardous substances. If Trustor fails to do so, Beneficiary may, at its option, take any action it deems in its sole discretion to be necessary to effectuate such compliance.

Beneficiary shall have no obligation or liability at any time with regard to hazardous substances or any other physical conditions which may exist on the Property at any time. Trustor will indemnify and defend Beneficiary against any and all liabilities or losses of any type whatsoever which Beneficiary may incur by reason of any hazardous substances or other physical conditions which may exist on the Property at any time; provided, however, that if Beneficiary shall acquire sole possession of the Property, Trustor shall have no obligation under this paragraph on account of any condition which may thereafter come into existence and which was not caused by a previously existing condition. Trustor's obligations under this paragraph shall survive the termination and satisfaction of this Deed of Trust.

EIGHTH: Trustor shall keep the Property insured against loss by fire, all other hazards contemplated by the term "extended coverage," and such other risks and hazards as Beneficiary shall require, in such



amounts and for such terms as Beneficiary shall require. Trustor will purchase flood insurance as and to the extent required by Beneficiary or by law or regulation. The insurer or insurers will be chosen by Trustor, subject to approval by Beneficiary, and approval shall not be unreasonably withheld. All insurance policies shall contain loss payable clauses in favor of Beneficiary and shall be cancellable by the insurer only after prior written notice by the insurer to Beneficiary. Trustor shall deliver written evidence of all such insurance to Beneficiary.

If Trustor fails to obtain and keep in force any required insurance or fails to pay the premiums on such insurance, Beneficiary at its sole option may elect to do so. In the event of loss, Trustor shall give prompt notice to Beneficiary and make proper proof of loss to the insurer. Beneficiary at its option may elect to make proper proof of loss if Trustor does not do so promptly, and to take any action it deems necessary to preserve Trustor's or Beneficiary's rights under any insurance policy. Beneficiary may require that the insurance proceeds for any loss be paid directly to Beneficiary only and not jointly to Trustor and Beneficiary. Trustor hereby appoints Beneficiary and its successors and assigns as Trustor's attorney-in-fact to endorse Trustor's name to any draft or check which may be payable to Trustor in order to collect any insurance proceeds.

Upon foreclosure of this Deed of Trust, or exercise of the power of sale given to Trustee, or acquisition of the Property by Beneficiary or its assigns, all right, title and interest of Trustor in and to the policies and proceeds thereof and sums payable thereunder shall forthwith pass automatically to the purchaser of said Property.

NINTH: Trustor hereby agrees to repay Beneficiary on demand all sums which Beneficiary has elected to pay under Paragraphs Fifth and/or Eighth, and all such sums, until repaid to Beneficiary, shall be a part of the Obligation and shall bear interest at the highest rate permitted by law (but not exceeding the contractual rate or rates of interest applicable to the Obligation by the terms of the Agreement).

TENTH: Subject to the rights of the holders of any prior mortgage or deed of trust, Trustor hereby assigns to Beneficiary all proceeds of any award in connection with any condemnation or other taking of the Property or any part thereof, or payment for conveyance in lieu of condemnation.

ELEVENTH: If the Property or any portion thereof consists of a unit in a condominium or a planned unit development, Trustor shall perform all of Trustor's obligations under the declaration or covenants creating or governing the condominium or planned unit development, the by-laws, rules, and regulations of the condominium or planned unit development, and related documents. If a condominium or planned unit development rider is executed by Trustor and recorded with this Deed of Trust, the covenants and agreements of such rider shall be incorporated herein as if the rider were a part hereof.

TWELFTH: In order to further secure Beneficiary in the event of default in the payment of the Obligation or in the performance by Trustor of any of the covenants, conditions, or agreements contained herein, Trustor hereby assigns and transfers to Beneficiary and its successors and assigns any and all leases on the Property or any part thereof, now existing or which may hereafter be made at any time, together with any and all rents, issues, and profits arising from the Property under said leases or otherwise. Beneficiary shall have no obligation to perform or discharge any duty or liability under such leases, but shall have full authorization to collect all rents under the leases or otherwise, and to take any action, including legal action, it deems necessary to preserve Trustor's or Beneficiary's rights under such leases. Trustor shall not collect any rent in advance of the date it is due.

THIRTEENTH: In the event that (a) any Borrower has engaged in fraud or material misrepresentation in connection with the line of credit evidenced by the Agreement; (b) Borrower(s) fail to meet any of the repayment terms of the Agreement; (c) action or inaction of any Borrower adversely affects the Property, any other property securing the Agreement, or Beneficiary's rights in the Property or such other property; (d) any Borrower sells or otherwise transfers ownership of the Property to someone who is not a Trustor; (e) any Borrower dies, and the death will result in transfer of ownership of the Property to someone who is not a Trustor; (f) all Borrowers have died; or (g) a Borrower is an executive officer, as defined in Federal Reserve Board Regulation O, of Beneficiary, and a condition described in a separate loan acceleration agreement executed by that Borrower has occurred; then, in addition to exercising any rights which Beneficiary may have under the terms of the Agreement or any agreement securing repayment of, or relating to, any portion of the Obligation or which are otherwise provided by law, Beneficiary may declare the Obligation immediately due and payable and may cause the exercise of the power of sale granted herein and direct Trustee to sell the Property for the collection of the Obligation and all expenses of the sale, such expenses to include (1) reasonable attorney's fees actually incurred; and (2) reasonable Trustee's fees. In lieu of sale pursuant to the power of sale conferred hereby, at the option of Beneficiary this Deed of Trust may be foreclosed in the manner provided by law for the foreclosure of mortgages on real property or the beneficiary may sue on the Agreement in accordance with applicable law. Trustor waives all exemptions from levy on and sale of the Property or any part thereof, and agrees that to the extent permitted by law, an action may be maintained by Beneficiary to recover a deficiency judgment for any balance due hereunder. If Beneficiary invokes the power of sale, Beneficiary shall give written notice to Trustee of the occurrence of an event of default and of Beneficiary's election to cause the Property to be sold. Trustee shall mail copies of such notice in the manner prescribed by applicable law.



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to Trustor and to the other persons prescribed by applicable law. After the lapse of such time as may be required by applicable law, and after giving public notice of the sale in accordance with applicable law, Trustee shall sell the property at public auction to the highest bidder for cash in lawful money of the United States at the time and place and under the terms designated in the notice of sale in one or more parcels and in such order as Trustee may determine. Trustee may postpone sale of all or any parcel of the Property by public announcement at the time and place of any previously scheduled sale. Beneficiary or Beneficiary's designee may purchase the property at any sale.

Trustee shall deliver to the purchaser Trustee's deed conveying the Property. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements made therein. Trustee shall not be required to take possession of the Property prior to the sale thereof or to deliver possession of the Property to the purchaser at the sale.

FOURTEENTH: The rights and remedies of Beneficiary provided herein, in the Agreement, or in any other agreement securing repayment of, or relating to, any portion of the Obligation, or otherwise provided by law, shall be cumulative and to the extent permitted by law may be pursued singly, concurrently, or successively at Beneficiary's sole discretion, and may be exercised as often as necessary, and the failure to exercise any such right or remedy shall in no event be construed as a waiver or release of the same.

FIFTEENTH: Beneficiary, without notice to Trustor, may deal with the Obligation and any collateral security therefore in such manner as Beneficiary may deem advisable and may accept partial payment for or settle, release, or compromise the Obligation, may substitute or release any collateral security, and may release and discharge from liability any Trustor, all without impairing the estate granted hereby or the obligations of Trustor hereunder.

SIXTEENTH: The covenants, conditions, and agreements contained herein shall bind the heirs, personal representatives, and successors of Trustor, and the rights and privileges contained herein shall inure to the successors and assigns of Beneficiary.

SEVENTEENTH: Except to the extent that Federal law controls this Deed of Trust shall be governed in all respects by the laws of the State of Washington. If any provision hereof shall for any reason be held invalid or unenforceable, no other provision shall be affected thereby, and this Deed of Trust shall be construed as if the invalid or unenforceable provision had never been part of it.

EIGHTEENTH: Trustor hereby waives all right of homestead exemption in the Property.

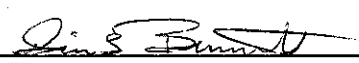
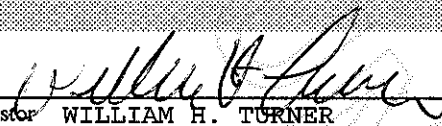
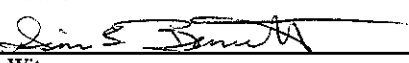
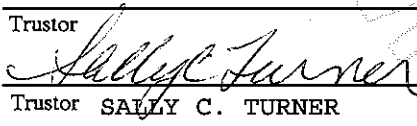
NINETEENTH: Except for any notice required under applicable law to be given in another manner, (a) any notice to Trustor provided for in this Deed of Trust shall be given by delivering it or by mailing such notice by certified mail to Trustor's address stated herein or at such other address as Trustor may designate by notice to Beneficiary as provided herein, and (b) any notice to Beneficiary shall be given by certified mail to Beneficiary's address stated herein or to such other address as Beneficiary may designate by notice to Trustor as provided herein. Any notice provided for in this Deed of Trust shall be deemed to have been given to Trustor or Beneficiary when given in the manner designated herein.

TWENTIETH: Beneficiary may, for any reason or cause, from time to time remove Trustee and appoint a successor trustee to any Trustee appointed hereunder. Without conveyance of the Property, the successor trustee shall succeed to all title, power, and duties conferred upon Trustee herein and by applicable law.

TWENTY-FIRST: The real property conveyed hereby is not used principally for agricultural or farming purposes.

NOTICE: THE DEBT SECURED HEREBY IS SUBJECT TO CALL IN FULL OR THE TERMS THEREOF BEING MODIFIED IN THE EVENT OF SALE OR CONVEYANCE OF THE PROPERTY CONVEYED.

Witness the due execution and sealing hereof the day and year first above written:

Signatures	
 _____ Witness	 _____ Trustor WILLIAM H. TURNER (Seal)
_____ Witness	_____ Trustor (Seal)
 _____ Witness	 _____ Trustor SALLY C. TURNER (Seal)
_____ Witness	_____ Trustor (Seal)

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Acknowledgment

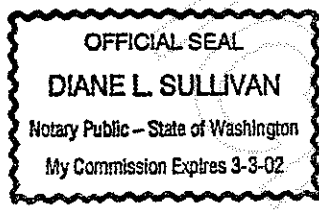
STATE OF WASHINGTON
COUNTY OF Skagit } ss.

I certify that I know or have satisfactory evidence that WILLIAM H. TURNER and SALLY C. TURNER 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 the instrument.

Dated this 18 day of October 1999.

Diane L. Sullivan
(Signature of Notary)

Diane L. Sullivan
(Legibly Print or Stamp Name of Notary)



Notary public in and for the State of Washington,
residing at Anacortes

My appointment expires 3-3-02



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Kathy Hill, Skagit County Auditor
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From
WILLIAM H. TURNER
SALLY C. TURNER

To
MELLON BANK, N. A.

Loan No. **110561-933**

AFTER RECORDING, MAIL TO:
MELLON BANK N.A.
P.O. BOX 149
PITTSBURGH, PA 15230-0149

X00915000
0100 00952

DESCRIPTION:
CERTAIN PROPERTY SITUATED IN CITY OF ANACORTES
COUNTY OF SKAGIT AND STATE OF WASHINGTON
DESCRIBED IN A DEED DATED 10/28/91
11/04/91 AMONG THE LAND RECORDS OF THE COUNTY
SET FORTH ABOVE, AND REFERENCED AS FOLLOWS:
PAGE .

SKAGIT COUNTY SHORT PLAT NO. 61-89, AS APPROVED APRIL 23,
MAY 9, 1990, IN VOLUME 9 OF SHORT PLATS, PAGE 222, UNDER
9005090045, RECORDS OF SKAGIT COUNTY, WASHINGTON; BEING A
SKAGIT COUNTY SHORT PLAT NO. 55-80 IN GOVERNMENT LOT 3 AND
QUARTER OF THE SOUTHWEST QUARTER OF SECTION 12, TOWNSHIP
EAST OF THE WILLIAMETTE MERIDIAN.

LOT 3 - SHORT PLAT NO. 61-89

