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Kathy Hill, Skagit County Auditor

5/25/2000 Page 1 of 3 11:35:37AM

Return Address:
Dial Bank
3201 N. 4th Ave.
Sioux Falls, South Dakota 57104

FIRST AMERICAN TITLE CO.

ACCOMMODATION RECORDING ONLY

Document Title: **OPEN-END DEED OF TRUST**

Reference Number(s): 533-06-9015

P104363

Grantor(s): JAMES C KESTER AND KATHRYN M KESTER, HUSBAND AND WIFE

M 7291

Trustee: FIRST AMERICAN TITLE COMPANY

Beneficiary: Dial Bank

Legal Description, if abbreviated, full legal description is located on the reverse:

THE DESCRIPTION OF THE PROPERTY IS ON A SEPARATE FORM ATTACHED TO THIS DEED OF TRUST, WHICH DESCRIPTION IS PART OF THIS DEED OF TRUST.

1-33-4 GOVT LOT 3

PTN LOTS 64 & 65 FIRST ADD. BIG LAKE WATERFRONT

situated in the County of SKAGIT, State of Washington. TRACTS

Assessor's Property Tax Parcel Account Number(s):

THIS DEED OF TRUST, made this 22ND day of MAY, 2000, between JAMES C KESTER AND KATHRYN M KESTER, HUSBAND AND WIFE, Grantor, whose address is 18478 WEST BIG LAKE BLVD MOUNT VERNON, WA 98274, Trustee

whose address is 1301-B RIVERSIDE DRIVE MOUNT VERNON, WA 98273, Trustee

Dial Bank, Beneficiary, whose address is 3201 North 4th Avenue, Sioux Falls, South Dakota 57104 for the purpose of securing performance of each agreement of grantor herein contained, and payment of all amounts due under a Credit Card Account Agreement dated MAY 22, 2000, pursuant to which advances may be made on the line of credit of \$ 5,000.00, together with charges according to the terms of said Credit Card Account Agreement, and also any and all indebtedness, sums, future advances, and charges now or hereafter owing or to become owing by Grantor to Beneficiary under said Credit Card Account Agreement between Grantor and Beneficiary.

WITNESSETH: Grantor hereby bargains, sells and conveys to Trustee in Trust, with power of sale, the above-described real property in SKAGIT County, Washington which real property is not used principally for agricultural or farming purposes, 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.

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; or 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 or cure or waive any default or notice of default or invalidate any act done pursuant to such notice. 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.

7. Not to sell, convey or otherwise transfer the property or any portion thereof without Beneficiary's written consent and any such sale, conveyance, or transfer without Beneficiary's written consent shall be a default under the terms hereof.

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 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. As additional security, Grantor hereby gives to and confers upon Beneficiary the right, power and authority, during the continuance of these Trusts, to collect the rents, issues and profits of said property, reserving unto Grantor the right, prior to any default by Grantor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, Beneficiary may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in his own name sue for or otherwise collect such rents, issues and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of said property, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

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 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 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 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 of 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.

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

Sign here James C. Kester

Sign here Kathryn M. Kester

STATE OF WASHINGTON
COUNTY OF SKAGIT

} ss.



On this day personally appeared before me JAMES C KESTER AND KATHRYN M KESTER to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that THEY signed the same as THEIR free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 22ND day of MAY, 2000.

Debra L. Mustappa
Notary Public in and for the State of Washington residing at Skagit Co

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 Credit Card Account Agreement and all other indebtedness secured by the within Deed of Trust and said Credit Card Account Agreement, together with 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 Credit Card Account Agreement 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 _____

Mail reconveyance to Dial Bank, 3201 North 4th Avenue, Sioux Falls, South Dakota 57104.

WA-2143NOWLINE-0599 (also used by OR branches 228, 248, 540, 1060, 7358, and 7443)



Kathy Hill, Skagit County Auditor

Addendum for legal description of Deed of Trust dated May 22, 2000,,
James C. Kester and Kathryn M. Kester, Mortgagors.

Parcel "A":

That portion of Government Lot 3, Section 1, Township 33 North, Range 4 East, W.M., lying Southerly of the Southerly line of "FIRST ADDITION BIG LAKE WATER FRONT TRACTS, SKAGIT COUNTY, WASHINGTON", as per plat recorded in Volume 4 of Plats, Page 15, records of Skagit County, Washington, and lying Southeasterly of the Southeasterly line of "BIG LAKE WATER FRONT TRACTS, SKAGIT COUNTY, WASHINGTON", as per plat recorded in volume 4 of Plats, Page 12, records of Skagit County, Washington.

Parcel "B":

That portion of Lot 64 and 65 in the plat of the "FIRST ADDITION TO BIG LAKE WATERFRONT TRACTS", as recorded in Volume 4 of Plats, Page 15, records of Skagit County, Washington, that lies Southerly of the South margin of the H.C. Peters Road, also known as West Big Lake Boulevard and Westerly of the following described line,

Commencing at the Southeast corner of said Lot 65; thence North 67 degrees 47' 10" West, along the Southerly line of said Lot 65, a distance of 63.81 feet to the East line of Government Lot 3 in Section 1, Township 33 North, Range 4 East, W.M., and the true point of beginning of this line description; thence North 5 degrees 31' 33" East, a distance of 122.30 feet to the intersection of the West line of said Lot 65, and the South margin of said H.C. Peters road and the terminus of this line description,

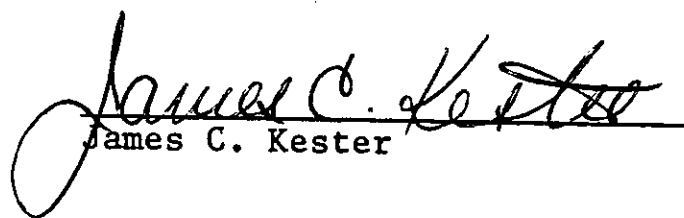
TOGETHER WITH a non-exclusive easement for ingress, egress and utilities over, under, across and through Lot 65 and Lot 66 in the plat of "FIRST ADDITION TO BIG LAKE WATERFRONT TRACTS", as recorded in Volume 4 of Plats, Page 15, records of Skagit County, Washington, and Government Lot 2, Section 1, Township 33 North, Range 4 East, W.M., and Lies 10.0 feet on each side of the following described centerline and within a 70.00 feet diameter circle circumscribed on the herinafter described reference point "X";

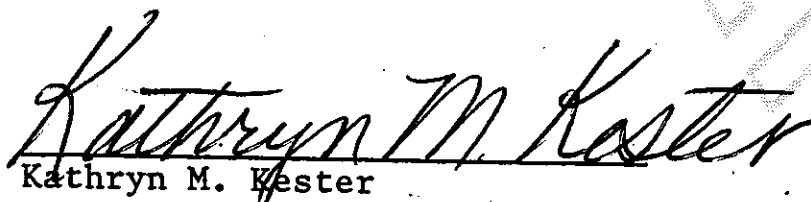
Commencing at the Southeast corner of said Lot 65; thence North 22 degrees 12' 50" East, along the East line of said Lot 65, a distance of 14.01 feet to reference point "X" and the true point of beginning for this centerline description; thence North 35 degrees 15' 44" West, a distance of 32.94 feet; thence Northwesterly, along a curve to the right, which center of curve bears North 54 degrees 44' 16" East, having a radius of 125.00 feet, an arc distance of 107.43 feet to the South margin of the H.C. Peters road also known as West Big Lake Boulevard and the terminus of this centerline description.

ALSO TOGETHER WITH a non-exclusive easement for ingress, egress and utilities over, under, across and through the West 59.45 feet of the following described tract of land:

That portion of Government Lot 2, Section 1, Township 33 North, Range 4 East, W.M., that adjoins the Southwesterly line of the Plat of the "FIRST ADDITION TO BIG LAKE WATER FRONT TRACTS", as recorded in Volume 4 of Plats, Page 15, records of Skagit County, Washington, and is more particularly described as follows:

Beginning at the Southeast corner of Lot 67 of said plat; thence North 67 degrees 47' 10" West, along the Southwesterly line of said plat, a distance of 261.77 feet to the West line of said Government Lot 2; thence South 0 degrees 55' 13" West along the West line of said Government Lot 2, a distance of 62.10 feet to the Southeast corner of Government Lot 3 of said Section 1; thence South 67 degrees 47' 10" East, parallel with the Southwesterly line of said plat, a distance of 239.22 feet to the Southerly extension of the East line of said Lot 67; thence North 22 degrees 12' 50" East, along said Southerly extension, a distance of 57.86 feet to the point of beginning.


James C. Kester


Kathryn M. Kester



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5/25/2000 Page 3 of 3 11:35:37AM

