

AFTER RECORDING MAIL TO:

Charles W. Guildner

3922 Foxglove Circle

Mount Vernon, WA 98273



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Skagit County Auditor

1/16/2002 Page 1 of 4 11:29AM

**DEED OF TRUST**

*(For use in the state of Washington only)*

Grantors **ALAN J. CALLERY AND KAREN M. CALLERY**

Grantee **CHARLES W. GUILDNER**

Trustee **ISLAND TITLE COMPANY OF SKAGIT COUNTY**

Abbreviated Legal: RT 1-001-07 PTN SE1/4 NE1/4 DES AF #766338 **2-36-3**

Additional Legal on page: Exhibit A

Assessor's tax parcel/Account No: P47591 Skagit County, WA

THIS DEED OF TRUST, made this 11<sup>th</sup> day of January, 2002, between Alan J. Callery and Karen M. Callery, GRANTORS, whose street address is 16969 Canterbury Road, Bellingham, WA 98226, Island Title Company of Skagit County TRUSTEE, whose street address is 819 S. Burlington Blvd, Burlington, WA 98233, and Charles W. Guildner, BENEFICIARY, whose street address is 3922 Foxglove Circle, Mount Vernon, WA 98273.

WITNESSETH: Grantors hereby bargain, sell, and convey to Trustee in trust, with power of sale, the following described real property in County, Washington:

Full Legal Attached 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 of the property.

This Deed of Trust is for the purpose of securing performance of each agreement of Grantors contained in this Deed of Trust, and payment of the sum of FORTY EIGHT THOUSAND DOLLARS (\$48,000) with interest, in accordance with the terms of a promissory note of even date herewith, payable to Beneficiary or order, and made by Grantor(s), and all renewals, modifications, and extensions of the note, and also such further sums as may be advanced or loaned by Beneficiary to Grantors, or any of the Grantors successors or assigns, together with interest thereon at the rate agreed upon.

**DUE DATE:** The entire balance of the promissory note secured by this Deed of Trust, together with any and all interest accrued thereon, shall be due and payable in full on January 11, 2005.

To protect the security of this Deed of Trust, Grantors covenant and agree:

1. To keep the property in good condition and repair; to permit no waste of the property; to complete any building, structure, or improvement being built or about to be built on the property; to restore promptly any building, structure, or improvement on the property 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 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

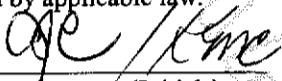
approve and have loss payable first to the Beneficiary, as its interest may appear, and then to the Grantors. The amount collected under any insurance policy may be applied upon any indebtedness secured by this Deed of Trust in such order as the Beneficiary shall determine. Such application by the Beneficiary 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.

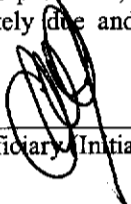
4. To defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee, and to pay all costs and expenses, including cost of title search and attorney's fees in a reasonable amount, in any such action or proceeding, and in any suit brought by 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 by this Deed of Trust and Trustee's and attorney's fees actually incurred, as provided by statute.

6. Should Grantors fail to pay when due any taxes, assessments, insurance premiums, liens, encumbrances, or other charges against the property. Beneficiary may pay the same, and the amount so paid, with interest at the rate set forth in the note secured by this Deed of Trust, shall be added to and become a part of the debt secured in this Deed of Trust.

7. DUE ON SALE: The property described in this security instrument may not be sold or transferred without the Beneficiary's consent. Upon breach of this provision, Beneficiary may declare all sums due under the note and Deed of Trust immediately due and payable, unless prohibited by applicable law.

  
\_\_\_\_\_  
Grantors (Initials)

  
\_\_\_\_\_  
Beneficiary (Initials)

IT IS MUTUALLY AGREED THAT:

8. 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 by this Deed of Trust shall be paid to Beneficiary to be applied to said obligation.

9. By accepting payment of any sum secured by this Deed of Trust 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.

10. 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 Grantors and the Beneficiary, or upon satisfaction of the obligation secured and written request for reconveyance made by the Beneficiary or the person entitled thereto.

11. Upon default by Grantors in the payment of any indebtedness secured by this Deed of Trust or in the performance of any agreement contained in this Deed of Trust, all sums secured by this Deed of Trust shall immediately become due and payable at the option of the Beneficiary, subject to any cure period provided in the note secured by this Deed of Trust. 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 the sale, including a reasonable Trustee's fee and attorney's fee; (2) to the obligation secured by this Deed of Trust; and (3) the surplus, if any, shall be distributed to the persons entitled thereto.

12. Trustee shall deliver to the purchaser at the sale its deed, without warranty, which shall convey to the purchaser all right, title and interest in the real and personal property which Grantors had or had the power to convey at the time of the execution of this Deed of Trust, and such as Grantors 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 purchaser and encumbrances for value.

13. 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.

14. In the event of the absence, death, incapacity, disability, or resignation of Trustee, or at the discretion of the Beneficiary, Beneficiary may appoint in writing a successor trustee, and upon the

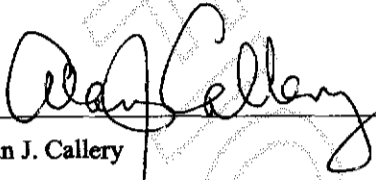


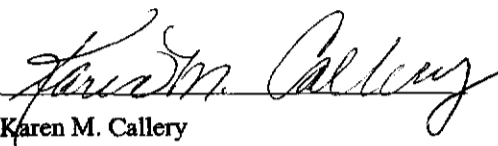
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recording of such appointment in the mortgage records of the county in which this Deed of Trust is recorded, the successor trustee shall be vested with all powers of the original trustee. The trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of an action or proceeding in which Grantors, Trustee, or Beneficiary shall be a party unless such action or proceeding is brought by the Trustee.

15. This Deed of Trust applies to, inures to the benefit of, and is binding not only on the parties hereto, but on his/her/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.

DATED: January 11, 2002

  
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Alan J. Callery

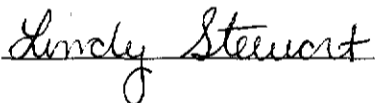
  
\_\_\_\_\_  
Karen M. Callery

STATE OF WASHINGTON

COUNTY OF SKAGIT

I certify that I know or have satisfactory evidence that Alan Callery and Karen Callery are the persons who appeared before me, and said persons acknowledged that they signed this instrument, on oath stated that they are authorized to execute the instrument and acknowledged it to be the free and voluntary act of such parties for the uses and purposes mentioned in this instrument.

Dated: January 11, 2002

  
\_\_\_\_\_

Notary Public in and for the state of Washington;

Residing at Anacortes, WA

My appointment expires: 9-19-03



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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Skagit County Auditor

1/16/2002 Page 3 of 4 11:29AM

**Exhibit A  
Legal Description**

**A portion of the Southeast  $\frac{3}{4}$  of the Northeast  $\frac{1}{4}$  of Section 2, Township 36 North, Range 3 East W.M. being more particularly described as follows:**

**Beginning at the Southeast corner of said subdivision; thence North 1 degree 02' 12" East along the East line of said subdivision, a distance of 665.82 feet; thence South 89 degrees 26' 32" West a distance of 348.08 feet; thence South 1 degree 02' 12" West a distance of 655.26 feet to the South line of said subdivision; thence South 88 degrees 49' 05" East a distance of 347.96 feet to the point of beginning.**

**(Commonly known as Parcel 5 of unrecorded Survey of Cantershire)**

**Situate in the County of Skagit, State of Washington.**

**"Together with and subject to a non-exclusive easement for ingress and egress and utilities over and across the following described tracts of land being 60 feet wide.**

**A portion of the West  $\frac{1}{2}$  of the West  $\frac{1}{2}$  of the Northwest  $\frac{1}{4}$  of Section 1, Township 36 North, Range 3 East W. M., and the East  $\frac{1}{2}$  of the Northeast  $\frac{1}{4}$  of Section 2, Township 36 North, Range 3 East W.M., a 60.00 foot wide tract of land the centerline of which is more particularly described as follows:**

**Beginning at the Northwest corner of Section 1, Township 36 North, Range 3 East W.M.; thence South 1 degree 02' 12" West along the West line of said Section 1 for a distance of 1493.31 feet to a point on a curve having a radius point bearing South 34 degrees 30' 17" East for a distance of 218.70 feet; thence along the arc of said curve in a Southwesterly direction for a distance of 52.77 feet; thence South 41 degrees 40' 11" West for a distance of 523.77 feet to the termination point for said centerline.**

**A portion of the West  $\frac{1}{2}$  of the West  $\frac{1}{2}$  of the Northwest  $\frac{1}{4}$  of Section 1, Township 36 North, Range 3 East W. M., and the East  $\frac{1}{2}$  of the Northeast  $\frac{1}{4}$  of Section 2, Township 36 North, Range 3 East W.M., a 60.00 foot wide tract of land the centerline of which is more particularly described as follows:**

**Beginning at the Northwest corner of Section 1, Township 36 North, Range 3 East W.M.; thence South 1 degree 02' 12" West along the West line of said Section 1 for a distance of 1493.31 feet to a point on a curve having a radius point bearing South 34 degrees 30' 17" East for a distance of 218.70 feet; thence along the arc of said curve in a Northeasterly direction for a distance of 134.81 feet; thence South 89 degrees 11; 12" east for a distance of 200.25 feet to the beginning of a tangent curve to the right having a radius of 120.66 feet; thence along the arc of said curve through a central angle of 89 degrees 41' 00" for a distance of 187.58 feet; thence South 0 degrees 29' 51" West for a distance of 551.98 feet; thence South 84 degrees 34' 33" West for a distance of 950 feet thence South 5 degrees 25' 27" East for a distance of 20.0 feet to the center of a cul-de-sac having a radius of 50 feet."**



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1/16/2002 Page 4 of 4 11:29AM