

Island Title Company

P. O. BOX 1228  
ANACORTES, WA. 98221

After recording, mail to:

FIRST INTERSTATE BANK OF WASHINGTON  
CCSC MS# 754  
P.O. BOX 24805  
SEATTLE WA 98124-0805

This Space is Reserved for Recorder's Use  
JERRY MCINTURFF  
SKAGIT COUNTY AUDITOR  
'94 AUG 26 P 3:38  
REQUEST OF \_\_\_\_\_

Loan No. 4566300 0001

**DEED OF TRUST**  
**9408260099**

SA-14099 0-023  
0-024

THIS DEED OF TRUST is made this 24 day of AUG., 19 94 BETWEEN  
Richard Houghton and Margi Houghton, each as their separate estate, in indeterminate interests

whose address is 650 Guemes Island Road Anacortes WA 98221, as Grantor,  
and Island Title Co, as Trustee,  
whose address is P O Box 1228, Anacortes, WA 98221  
and First Interstate Bank of Washington, NA, as Beneficiary, whose address is Anacortes Branch Branch,  
1018 8th Street Anacortes WA 98221, Washington.

Grantor hereby irrevocably grants, bargains, sells and conveys to Trustee in trust, with power of sale, the following described property in  
Skagit, County Washington:

See Exhibit "A" which is hereto attached.

SUBJECT TO: (Mortgage) (Deed of Trust) dated N/A, 19 N/A, recorded  
N/A, under Auditor's File No. N/A  
to N/A, (Mortgage) (Beneficiary);

TOGETHER WITH all tenements, hereditaments and appurtenances, now or hereafter the thereunto belonging or in anywise appertaining, and the rents, issues and profits thereof, and all fixtures and property that may be now located upon said real property or may hereafter be installed in or attached to or used in or adapted for use in the operation of the property and improvements, including, but without being limited to, all trees, shrubs, rockeries, retaining walls, walks, driveways, buildings, structures, improvements and fixtures, plumbing, heating, lighting, cooling and ventilating apparatus, awnings, door and window screens, built-in ranges, dishwashers, refrigerators, washers, disposals, dryers and mirrors, rugs, carpeting and other floor covering material, drapery traverse rods and hardware, all of which property, whether affixed or annexed or not, shall for the purposes of this Deed of Trust be deemed conclusively to be real estate and conveyed hereby. Grantor agrees to execute and deliver, from time to time, such further instruments as may be requested by Beneficiary to confirm the lien of this Deed of Trust on any property. To the extent that any of the property described herein may be subject to the provisions of the Uniform Commercial Code, this Deed of Trust is a security agreement, granting to Beneficiary, as secured party, a security interest in any such property and the Grantor agrees to execute such financing statements as may be required by the Beneficiary and pay, upon demand, filing fees for any such financing statements and continuations thereof.

This DEED IS FOR THE PURPOSE OF SECURING PERFORMANCE of each agreement of Grantor incorporated by reference or contained herein and payment of the sum of WENTY THOUSAND EIGHT HUNDRED FIFTY FOUR AND 74/100 DOLLARS (\$ 20,854.74)

with interest thereon according to the terms of a promissory note of even date herewith, payable to Beneficiary or order and made by Grantor, all renewals, modifications or 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.

Grantor covenants that Grantor is lawfully seized and possessed of ownership of the premises in fee simple, has good right and lawful authority to convey the premises in the manner and form herein provided, that the premises are free from liens or encumbrances except as shown above, and that Grantor will warrant and defend the same forever against the lawful claims and demands of all persons whomsoever.

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 and all other prior liens and encumbrances. All policies shall be in such companies as the Beneficiary may approve and have loss payable 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 expense of the Trustee incurred in enforcing the obligation secured hereby and Trustee's and attorney's fees actually incurred, as provided by statute.
6. That any mortgage(s), deed(s) of trust, real estate contract(s), lease(s), or other lien(s), to which the property is subject, is valid and existing, there has been no breach of the terms thereof by any of the parties thereto, and Grantor will keep and perform Grantor's obligations under any such instruments and save Beneficiary harmless from the consequences of any failure to do so. Grantor will not enter into or permit any amendment or modification of any such mortgage, deed of trust, real estate contract, lease, or other lien, or surrender possession under any such lease, or enter into or permit any further advancement or loan of funds under any such mortgage, deed of trust or real estate contract, without the prior written consent of Beneficiary.

7. That the Beneficiary is hereby granted the right to inform all prior mortgagees, beneficiaries, vendors, lessors and lien holders of the existence of this instrument and the right to request prior mortgagees, beneficiaries, vendors, lessors and other lien holders for notification in the event of default on said mortgage(s), deed(s) of trust, contract(s), lease(s) and other lien(s).

8. To duly and punctually pay the principal and interest upon any indebtedness secured hereby and will perform each and every covenant and condition herein. It is mutually agreed that:

9. 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.

10. 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.

11. Upon any default on the part of the Grantor in payment of principal and/or interest when due or in keeping and performing any other of the covenants and agreements herein contained, the whole of the principal, interest and all other sums secured hereby, shall, at the Beneficiary's election, become immediately due and payable, without notice, and 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. In addition, without prejudice to Beneficiary's right to accelerate the maturity of this Deed of Trust and to foreclose the same, the Beneficiary may perform any obligations which the Grantor has failed to fulfill hereunder, and all expenditures made by the Beneficiary in so doing shall draw interest at the rate set forth in the note secured hereby and shall be repayable by the Grantor to the Beneficiary and together with interest and costs accruing thereon, shall be secured by this instrument. If the Beneficiary herein makes payment on the prior mortgage(s), deed(s) of trust, contract(s), lease(s) and other lien(s) pursuant to this covenant, the Beneficiary may at the Beneficiary's option be subrogated to the rights of the prior mortgage(s), deed(s) of trust, contract(s), lease(s) and other lien(s) to the extent of payments so made; and the subrogation rights so acquired by the Beneficiary herein shall be fully recognized or at the option of the Beneficiary the payments so made may be tacked to the balance due under the note for which this instrument is security and at the option of the Beneficiary become immediately due and payable.

12. 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 execution of this Deed of Trust, and such as Grantor 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.

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. 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.

15. 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 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.

16. 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.

17. The property which is the subject of this Deed of Trust is not used principally or primarily for agricultural or farming purposes.

18. The undersigned Grantor requests that a copy of any Notice of Default and of any Notice of Sale hereunder be mailed to him at the address hereinbefore set forth.

SPECIAL PROVISION

As Grantor I understand the loan, secured by this Deed of Trust on real property, is personal to me and that my personal responsibility and occupancy and/or control of such real property is a material inducement to Beneficiary to make said loan. If title to said property shall pass from me by deed or otherwise, or said property shall be sold on contract or if the property shall be vacated by me, then such change in title or occupancy shall be deemed to increase the risk of Beneficiary and Beneficiary, its successors or assigns may declare the entire balance immediately due and payable.

WITNESS the hand(s) of the Grantor(s) on the day and year first above written.

Richard Houghton  
Margi Houghton

STATE OF WASHINGTON }  
COUNTY OF Skagit } ss.

On this 24 day of AUG., A.D., 1994, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn personally appeared Richard Houghton & Margi Houghton

Richard Houghton and Margi Houghton to me known to be the individual, or individuals described in, and who executed the within and foregoing instrument, and acknowledged to me that they signed and sealed the said instrument as their

free and voluntary act and deed for the uses and purposes therein mentioned.

WITNESS my hand and official seal hereto affixed the day and year in this certificate above written.

Mal Cotton  
Mal Cotton  
Notary Public in and for the State of Washington  
residing at Anacortes

REQUEST FOR FULL RECONVEYANCE

To be used only when all obligations have been paid under the note and this Deed of Trust.

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 evidence 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 \_\_\_\_\_, 19\_\_\_\_

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**EXHIBIT "A"**

That portion of the Northeast Quarter of the Southwest Quarter AND of the Southeast Quarter of the Northwest Quarter of Section 12, Township 35 North, Range 1 East of the Willamette Meridian, described as follows:

Beginning at a point on the East line of the Northeast Quarter of the Southwest Quarter, 1082.2 feet North of the Southeast corner thereof;  
thence North 380 feet;  
thence West 657.26 feet;  
thence South 380 feet;  
thence East 657.26 feet to the point of beginning;

Situate in Skagit County, Washington.

**9408260099**

BK 1367 PG 0075