

19908240069  
Kathy Hill, Skagit County Auditor  
8/24/1999 Page 1 of 7 11:39:49AM



LYNNWOOD MORTGAGE CORPORATION  
P.O. Box 5010  
Lynnwood, WA 98046-5010

AFTER RECORDING, MAIL TO:

WASHINGTON

# DEED OF TRUST

ISLAND TITLE COMPANY  
COLBY204671

**THIS LOAN IS NOT ASSUMABLE WITHOUT THE APPROVAL OF THE DEPARTMENT OF VETERANS AFFAIRS OR ITS AUTHORIZED AGENT.**

**THE ATTACHED RIDER IS MADE A PART OF THIS INSTRUMENT.**

THIS DEED OF TRUST, is made this 18th day of August 1999, BETWEEN KERI M COLBY and WILLIAM E COLBY, wife and husband

, as Grantor, whose address is 627 FIDALGO STREET, SEDRO WOOLLEY, WA 98284

and ISLAND TITLE COMPANY OF SKAGIT COUNTY as Trustee,

whose address is 839 S. BURLINGTON BLVD., BURLINGTON, WA 98233, and LYNNWOOD MORTGAGE CORPORATION, a Washington Corporation

as Beneficiary, whose address is P.O. Box 5857, Lynnwood, WA 98046

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

THE NORTHEAST QUARTER OF LOT 8 AND THE NORTH HALF OF LOTS 9 AND 10, BLOCK 21, PLAT OF THE TOWN OF SEDRO, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 1 OF PLATS, PAGE 17, RECORDS OF SKAGIT COUNTY, WASHINGTON;

EXCEPT THAT PORTION, IF ANY, LYING WITHIN THE SOUTH 60 FEET OF LOTS 9 AND 10, BLOCK 21.

SITUATE IN SKAGIT COUNTY, WASHINGTON.

Assessor's Tax Parcel ID#: 4149-021-010-0008

TOGETHER WITH all the tenements, hereditaments, and appurtenances now or hereafter thereunto belonging or in anywise appertaining, and the rents, issues and profits thereof; and all fixtures now or hereafter attached to or used in connection with the premises herein described; and in addition thereto the following described household appliances, which are and shall be deemed to be, fixtures and a part of the realty, and are a portion of the security for the indebtedness herein mentioned:

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.  
The real property conveyed by this deed of trust is not used principally for agricultural or farming purposes.



6. To complete or restore promptly and in good workmanlike manner any building or improvement which may be constructed, damaged or destroyed thereon, and pay when due all costs incurred therefor, and, if the loan secured hereby or any part thereof is being obtained for the purpose of financing construction of improvements on said property, Grantor further agrees: (a) To commence construction promptly and in any event within thirty (30) days from the date of the commitment of the Beneficiary, and complete same in accordance with plans and specifications satisfactory to Beneficiary.

(b) To complete all buildings or other structures being or about to be built thereon within six (6) months from date hereof.

(c) To replace any work or materials unsatisfactory to Beneficiary, within fifteen (15) days after written notice to Grantor of such fact.

(d) That work shall not cease on the construction of such improvements for any reason whatsoever for a period of fifteen (15) consecutive days.

The Trustee, upon presentation to it of an affidavit signed by Beneficiary, setting forth facts showing a default by Grantor under this numbered paragraph, is authorized to accept as true and conclusive all facts and statements therein, and to act thereon hereunder.

7. Not to remove or demolish any building, improvements thereon or any fixtures or other property in or used in connection with said building or improvements.

8. To comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting said property.

9. To keep the buildings, improvements and fixtures now existing or hereafter erected on the mortgaged property insured as may be required from time to time by Beneficiary against loss by fire and other hazards, casualties and contingencies in such amounts and for such periods as may be required by the Beneficiary and will pay promptly, when due, any premiums on such insurance provisions for payment of which has not been made herebefore. All insurance shall be carried in companies approved by the Beneficiary and the policies and renewals thereof shall be held by the Beneficiary and have attached thereto loss payable clauses in favor of an in form acceptable to the Beneficiary. In event of loss Grantor will give immediate notice by mail to the Beneficiary, who may make proof of loss if not made promptly by Grantor, and each insurance company concerned is hereby authorized and directed to make payment for such loss directly to Beneficiary instead of to Grantor and Beneficiary jointly, and the insurance proceeds, or any part thereof, may be applied by the Beneficiary at its option either to the reduction of the indebtedness hereby secured or to the restoration or repair of the property damaged. In event of foreclosure of this Deed of Trust or other transfer of title to the subject property in extinguishment of the indebtedness secured hereby, all right, title and interest of the Grantor in and to any insurance policies then in force shall pass to the purchaser or grantee.

10. To appear in and defend any suit, action or proceeding that might affect the value of this security instrument or the security itself or the rights or powers of Beneficiary or Trustee; and should Beneficiary or Trustee elect also to appear in or defend any such action or proceeding the Grantor will, at all times, indemnify from, and, on demand reimburse Beneficiary or Trustee for any and all loss, damage, expense or cost, including cost of evidence of title and attorney's fees, arising out of or incurred in connection with any such suit, action or proceeding, and the sum of such expenditures shall be secured by this Deed of Trust with interest as provided in the note secured hereby and shall be due and payable on demand. To pay all costs of suit, cost of evidence of title and a reasonable attorney's fee in any proceeding or suit brought by Beneficiary to foreclose this Deed of Trust.

11. To pay at least ten (10) days before delinquent all rents, assessments and encumbrances, charges or liens with interest, that may now or hereafter be levied, assessed or claimed upon the property that is the subject of this Deed of Trust or any part thereof, which at any time appear to be prior or superior herefor for which provision has not been made heretofore, and upon request will exhibit to Beneficiary official receipts therefor, and to pay all taxes, reasonable costs, fees and expenses of this Trust; on default hereunder Beneficiary may, at its option, pay or pay out of reserves accumulated under paragraph 2, any such sums, without waiver of any other right of Beneficiary by reason of such default of Grantor, and Beneficiary shall not be liable to Grantor for a failure to exercise any such option.

12. To repay immediately on written notice to Grantor all sums expended or advanced hereunder by or on behalf of Beneficiary or Trustee, with interest from the date of such advance or expenditure at the rate provided on the principal debt, and the repayment thereof shall be secured hereby. Failure to repay such expenditure or advance and interest thereon within ten (10) days of the mailing of such notice will, at Beneficiary's option, constitute an event of default hereunder; or Beneficiary may, at its option, commence an action against Grantor for the recovery of such expenditure or advance and interest thereon, and in such event Grantor agrees to pay, in addition to the amount of such expenditure or advance, all costs and expenses incurred in such action, together with a reasonable attorney's fees.

13. Upon the request of the Beneficiary, the Grantor shall execute and deliver a supplemental note or notes for the sum or sums advanced by the Beneficiary for alteration, modernization, improvement, maintenance, or repair of said premises, for taxes or assessments against the same and for any other purpose authorized hereunder. Said note or notes shall be secured hereby on a parity with and as fully as if the advance evidenced thereby were included in the note first described above. Said supplemental note or notes shall bear interest at the rate provided for in such paragraph as may be agreed upon by the Grantor and Beneficiary. Failing to agree on the maturity, the whole of the sum or sums so advanced shall be due and payable thirty (30) days after demand by the Beneficiary. In no event shall the maturity extend beyond the ultimate maturity of the note first described above.



Kathy Hill, Skagit County Auditor

19908240069



15. Should Grantor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation hereof, may: Make or do the same in Grantor and without releasing Grantor from any obligation hereof, may: Make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof; Beneficiary or Trustee being authorized to enter upon the property for such purposes, commence, appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest, or compromise any encumbrance, charge or lien which the judgment of either appears to be prior or superior hereof; and in exercising any such powers, incur any liability, expend what ever amounts in its absolute discretion it may deem necessary therefor including cost of evidence of title, employ counsel, and pay his reasonable fees.

16. Should the property or any part or appurtenance thereof or right or interest therein be taken or damaged by reason of any public or private improvement, condemnation proceeding, fire, earthquake, or in any other manner, Beneficiary may, at its option, commence, appear in and prosecute, in its own name, any action or proceeding, or make any compromise or settlement, in connection with such taking or damage, and obtain all compensation, awards or other relief therefor. All such compensation, awards, damages, rights of action and proceeds, including the proceeds of any insurance affecting the property, are hereby assigned to Beneficiary who may, after deducting therefrom all its expenses, including attorney's fees, release any monies so received by it, or apply the same on any indebtedness secured hereby or apply the same to the restoration of the property, as it may elect. Grantor agrees to execute such further assignments of any compensation, award, damages, rights of action and proceeds as Beneficiary or Trustee may require.

17. By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive its right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.

18. At any time upon written request of Beneficiary, payment of its fees and presentation of this Deed and the note for endorsement (in case of full reconveyance, for cancellation and retention), without affecting the ability of any person for the payment of the indebtedness Trustee may (a) consent to the making of any map or plat of said property; (b) join in granting any easement or creating any restriction thereon; (c) join in any subdivision or other agreement affecting this Deed or the lien of charge thereon; (d) reconvey, without warranty, all or any part of the property. The Grantee in any reconveyance may be described as the "person or persons legally entitled thereto," and the recitals therein of any matters or facts shall be conclusive proof of the truthfulness thereof.

19. The collection of rents, issues, and profits, or the proceeds of fire and other insurance policies or compensation or awards for any taking or damage of the property, and the application or release thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

20. The Grantor covenants and agrees that he will not execute or file for record any instrument which imposes a restriction upon the sale or occupancy of the secured property on the bases of race, color, or creed. Upon any violation of this undertaking, the Beneficiary may, at its option, declare the unpaid balance of the debt secured hereby immediately due and payable.

21. Upon default by Grantor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, Beneficiary may declare all sums secured hereby immediately due and payable. No waiver by Beneficiary of any default on the part of Grantor shall be construed as a waiver of any subsequent default hereunder.

22. 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 State of Washington, at a 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 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. 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. 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 and when not exercised, Beneficiary may foreclose this Deed of Trust as a mortgage. In the event of the death, incapacity or 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.

Kathy Hill, Skagit County Auditor



ISC/VMDTWA/0891/26-8593(7/74)-L  
WA VA DOT #26-8593 7/74 (11-94)

MY COMMISSION EXPIRES OCT. 15 2000

Notary Public in and for the State of Washington, residing at  
Mount Vernon in said county.

MARCIE K. PALECK

to me known to be the individual s described in and who executed the within instrument, and  
acknowledged that they signed and sealed the same as their free and voluntary act  
and deed, for the uses and purposes therein mentioned.  
Given under my hand and official seal the day and year last above written.

I, the undersigned day of 1999  
KERI M COLBY and WILLIAM E COLBY  
herby certify that on this 23

STATE OF WASHINGTON,  
COUNTY OF SKAGIT



(SEAL)

(SEAL)

(SEAL)

(SEAL)

WILLIAM E COLBY

KERI M COLBY

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

- VA Assumption Rider
- Balloon Rider
- Graduated Payment Rider
- Adjustable Rate Rider
- Condominium Rider
- Planned Unit Development Rider
- Rate Improvement Rider
- 1-4 Family Rider
- Biweekly Pymt Rider
- Second Home Rider

Security Instrument as if the rider(s) were a part of this Security Instrument. [Check applicable box(es)]

27. Riders to this Security Instrument: If one or more riders are executed by Borrower and recorded together with this Security Instrument, the covenants and agreements of each such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this

hereunder. 26. "Without affecting the liability of any other person for the payment of any obligation herein mentioned (including Grantor should he convey said real property) and without affecting the lien hereof upon any property not released, Beneficiary may, without notice, release any person so

liable, extend the maturity or modify the terms of any such obligations, or grant other indulgences, release or reconvey or cause to be released or reconveyed at any time all or any part of the realty described herein, take or release any other security or make compositions or other arrangements

with debtors. Beneficiary may also accept additional security, either concurrently herewith or thereafter, and sell same or otherwise realize thereon, either before, concurrently with, or after sale

25. The Beneficiary shall have all the rights and privileges granted to Beneficiaries by the Deed of Trust Act of the State of Washington as it now exists, or under any amendment thereto.

24. Any notices to be given to Grantor by Beneficiary hereunder shall be sufficient if mailed postage prepaid, to the address of the property above described; or to such other address as Grantor has requested in writing to the Beneficiary, that such notices be sent. Any time period provided in the giving of any notice hereunder, shall commence upon the date such notice is

deposited in the mail. 23. This Deed shall inure to and bind the heirs, legatees, devisees, administrators, executors, successors, and assigns of the parties hereto. All obligations of Grantor hereunder are joint and several. The term "Beneficiary" shall mean the owner and holder, including pledgees, of the note

secured hereby, whether or not named as Beneficiary herein. Whenever used, the singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders. If any of the provisions hereof shall be determined to contravene or be

invalid under the laws of the State of Washington, such contravention or invalidity shall not invalidate any other provisions of this agreement, but it shall be construed as if not containing the particular provision or provisions held to be invalid, and all rights and obligations of the parties

shall be construed and enforced accordingly. 22. This Deed shall inure to and bind the heirs, legatees, devisees, administrators, executors, successors, and assigns of the parties hereto. All obligations of Grantor hereunder are joint and several. The term "Beneficiary" shall mean the owner and holder, including pledgees, of the note

DVA LOAN NO. LAP46-6-0536467	LENDERS LOAN NO. 204671
---------------------------------	----------------------------

**DEPARTMENT OF VETERANS AFFAIRS  
HOME LOAN ASSUMPTION RIDER  
TO DEED OF TRUST/MORTGAGE**

This Department of Veterans Affairs Home Loan Assumption Rider is made this 18th day of August, 1999, and amends the provisions of the Deed of Trust/Mortgage, (the "Security Instrument") of the same date, by and between KERI M COLBY and WILLIAM E COLBY, wife and husband

, the Trustors/Mortgagors, and LYNNWOOD MORTGAGE CORPORATION, a Washington corporation, the Beneficiary/Mortgagee, as follows:

Adds the following provisions:

**NOTICE: THIS LOAN IS NOT ASSUMABLE WITHOUT THE APPROVAL OF THE DEPARTMENT OF VETERANS AFFAIRS OR ITS AUTHORIZED AGENT.**

This loan may be declared immediately due and payable upon transfer of the property securing such loan to any transferee, unless the acceptability of the assumption of the loan is established pursuant to section 1814 of Chapter 37, Title 38, United States Code.

- A. **Funding Fee.** A fee equal to one-half of 1 percent of the balance of this loan as of the date of transfer of the property shall be payable at the time of transfer to the loan holder or its authorized agent, as trustee for the Department of Veterans Affairs. If the assumer fails to pay this fee at the time of transfer, the fee shall constitute an additional debt to that already secured by this instrument, shall bear interest at the rate herein provided, and, at the option of the payee of the indebtedness hereby secured or any transferee thereof, shall be immediately due and payable. This fee is automatically waived if the assumer is exempt under the provisions of 38 U.S.C. 1829 (b).
- B. **Processing Charge.** Upon application for approval to allow assumption of this loan, a processing fee may be charged by the loan holder or its authorized agent for determining the creditworthiness of the assumer and subsequently revising the holder's ownership records when an approved transfer is completed. The amount of this charge shall not exceed the maximum established by the Department of Veterans Affairs for a loan to which section 1814 of Chapter 37, Title 38, United States Code applies.
- C. **Indemnity Liability.** If this obligation is assumed, then the assumer hereby agrees to assume all of the obligations of the veteran under the terms of the instruments creating and securing the loan, including the obligation of the veteran to indemnify the Department of Veterans Affairs to the extent of any claim payment arising from the guaranty or insurance of the indebtedness created by this instrument.

IN WITNESS WHEREOF, Trustor/Mortgagor has executed this Department of Veterans Affairs Home Loan Assumption Rider.

Signature of Trustor(s)/Mortgagor(s)

Keri M. Colby  
KERI M COLBY

William E. Colby  
WILLIAM E COLBY

ISC/VASSUMRID\*\*//0891-L  
WA VA DOT #26-8593 {RIDER} (1/97)



199908240069

Kathy Hill, Skagit County Auditor

8/24/1999 Page 7 of 7 11:39:49AM

23. This Deed shall inure to and bind the heirs, legatees, devisees, administrators, executors, successors, and assigns of the parties hereto. All obligations of Grantor hereunder are joint and several. The term "Beneficiary" shall mean the owner and holder, including pledgees, of the note secured hereby, whether or not named as Beneficiary herein. Whenever used, the singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders. If any of the provisions hereof shall be determined to contravene or be invalid under the laws of the State of Washington, such contravention or invalidity shall not invalidate any other provisions of this agreement, but it shall be construed as if not containing the particular provision or provisions held to be invalid, and all rights and obligations of the parties shall be construed and enforced accordingly.

24. Any notices to be given to Grantor by Beneficiary hereunder shall be sufficient if mailed postage prepaid, to the address of the property above described; or to such other address as Grantor has requested in writing to the Beneficiary, that such notices be sent. Any time period provided in the giving of any notice hereunder, shall commence upon the date such notice is deposited in the mail.

25. The Beneficiary shall have all the rights and privileges granted to Beneficiaries by the Deed of Trust Act of the State of Washington as it now exists, or under any amendment thereto. "Without affecting the liability of any other person for the payment of any obligation herein mentioned (including Grantor should he convey said real property) and without affecting the lien hereof upon any property not released, Beneficiary may, without notice, release any person so liable, extend the maturity or modify the terms of any such obligations, or grant other indulgences, release or reconvey or cause to be released or reconveyed at any time all or any part of the realty described herein, take or release any other security or make compositions or other arrangements with debtors. Beneficiary may also accept additional security, either concurrently herewith or thereafter, and sell same or otherwise realize thereon, either before, concurrently with, or after sale hereunder."

27. Riders to this Security Instrument: If one or more riders are executed by Borrower and recorded together with this Security Instrument, the covenants and agreements of each such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Security Instrument as if the rider(s) were a part of this Security Instrument. [Check applicable box(es)]

Adjustable Rate Rider  
 Graduated Payment Rider  
 VA Assumption Rider  
 Condominium Rider  
 Planned Unit Development Rider  
 Rate Improvement Rider  
 1-4 Family Rider  
 Biweekly Pymt Rider  
 Second Home Rider

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

(SEAL) Keri M. Colby  
 Keri M. Colby

(SEAL) William E Colby  
 William E Colby



STATE OF WASHINGTON,  
COUNTY OF SKAGIT

I, the undersigned Aug 1999 day of Aug 1999, personally appeared before me, Keri M Colby and William E Colby, herby certify that on this 23

to me known to be the individual s described in and who executed the within instrument, and acknowledged that they signed and sealed the same as their free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal the day and year last above written.

MARCIE K. PALECK

Marcie K. Paleck  
 Notary Public in and for the State of Washington, residing at Mount Vernon in said county.

MY COMMISSION EXPIRES OCT. 15 2008

