



199910080038

Kathy Hill, Skagit County Auditor

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When Recorded Return To:

ROBERT G. LEMLEY
1026 JEANETTE STREET
SEDRO WOOLLEY, WA 98284

Escrow No. BE-3446

LPB-22

DEED OF TRUST*(For Use in the State of Washington Only)*

Island Title SB-15248

THIS DEED OF TRUST made on October 6, 1999 between
J. VINCENT SMITH and JUDITH L. SMITH, husband and wife, GRANTOR,
whose address is 802 MCLEAN DR, SEDRO WOOLLEY, WA 98284 and
ISLAND TITLE COMPANY, a Washington corporation TRUSTEE,
whose address is P.O. BOX 670, BURLINGTON, WA 98233 and
ROBERT G. LEMLEY and JUDY LEMLEY, husband and wife, BENEFICIARY,
whose address is 1026 JEANETTE STREET, SEDRO WOOLLEY, WA 98284.

WITNESSETH: Grantor hereby bargains, sells and conveys to Trustee in
Trust, with power of sale, the following described real property in Skagit
County, Washington:

Ptn. SE NE, Sec. 13, T35N, R4E W.M., as more fully described in
Exhibit "A" which is attached hereto and made a part hereof.

Assessor's Tax Parcel ID #: 350413-0-015-0003 P36368 350413-0-009-0100
P36360

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.

This deed is for the purpose of securing performance of each agreement of
grantor herein contained, and payment of the sum of Thirty Thousand
Dollars and NO/100 (\$ 30,000.00) with interest, in accordance with the
terms of a promissory note of even date herewith payable to Beneficiary or
order, and made by Grantor, and all renewals, modifications and 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.

**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 thereof 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 to be 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. 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 expense, 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.

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 as be necessary to fully satisfy the obligation hereby, shall be paid to Beneficiary to be applied to said obligation.

2. By accepting payment of any sums 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.

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. 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, 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 thereof.

5. 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 purchaser and encumbrancers for value.

6. 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.

7. 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.

8. 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,



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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


J. VINCENT SMITH


JUDITH L. SMITH

State of Washington
County of Skagit

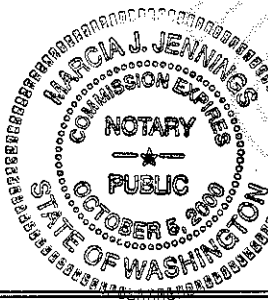
} ss.

I certify that I know or have satisfactory evidence that J. VINCENT SMITH and JUDITH L. SMITH is/are the person(s) who appeared before me, and said person(s) acknowledged that they signed this instrument and acknowledged it to be their free and voluntary act for the uses and purposes mentioned in this instrument.

Dated October 7, 1999


Marcia J. Jennings

Notary Public in and for the State of
Washington, residing at Sedro Woolley
My appointment expires: 10-5-2000



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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EXHIBIT "A"

PARCEL A:

That portion of the South Half of the Southeast Quarter of the Northeast Quarter of Section 13, Township 35 North, Range 4 East of the Willamette Meridian, described as follows:

Beginning at a point on the South line of the South Half of the Southeast Quarter of the Northeast Quarter of said section a distance of 13,660 feet West of the West line of the county road along the East line of said Section 13, said point being the Southwest corner of that tract of land as conveyed to Louis G. Scharpenberg and Agatha O. Scharpenberg, husband and wife, by deed recorded April 15, 1953, under Auditor's File No. 487174, records of Skagit County, Washington; thence North along the West line of said Scharpenberg Tract and said West line extended North to the center of a creek, said creek being a portion of the Southeast boundary line of that tract of land as conveyed to Charles E. Johnson and Edna E. Johnson, husband and wife, by deed recorded March 8, 1956, under Auditor's File No. 532738, records of Skagit County, Washington; thence Southwesterly along the center of said creek to the South line of said South Half of the Southeast Half of the Northeast Quarter; thence East along said South line to the point of beginning;

PARCEL B:

That portion of the South Half of the Southeast Quarter of the Northeast Quarter of Section 13, Township 35 North, Range 4 East of the Willamette Meridian, described as follows:

Commencing at the East Quarter corner of said Section 13; thence North $88^{\circ}08'21''$ West a distance of 690.70 feet along the East-West centerline of said Section 13 to the true point of beginning; thence North $04^{\circ}59'58''$ East a distance of 247.87 feet; thence North $88^{\circ}08'21''$ West a distance of 30.00 feet; thence South $01^{\circ}56'12''$ East a distance of 248.04 feet to the true point of beginning.

ALL Situated in Skagit County, Washington.

- END OF EXHIBIT "A" -



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