

199911010150
Kathy Hill, Skagit County Auditor
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When Recorded Return To:
ERIN MARGARET MURPHY HANSON
14933 Valley View Drive
Mount Vernon, WA 98273

LPB-22

DEED OF TRUST

(For Use in the State of Washington Only)

Escrow No. BE-3413

ISLAND TITLE CO.

THIS DEED OF TRUST made on October 5, 1999 between

JOHN W. ELLIS and SHANNON ELLIS, husband and wife
whose address is 160 Cascade Place, Suite 201, Burlington, WA 98233 and
ISLAND TITLE COMPANY, a Washington corporation TRUSTEE,
whose address is P.O. BOX 670, BURLINGTON, WA 98233 and
ERIN MARGARET MURPHY HANSON, a married woman as her separate estate and
Megan Kathleen Murphy Keck, a married woman as her separate estate
BENEFICIARY,
whose address is 14933 Valley View Drive, Mount Vernon, WA 98273.

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

LOT 2, SURVEY under Auditor's File No. 9107120026, records of Skagit
County, Washington, Vol. 11, pgs. 127 & 128, being a ptn. of NE, Sec. 24
T35N, R4E, W.M., and PTN. NE NE, Sec. 24, T35N, R4E, W.M.

See legal description attached hereto and by referenced made a part

hereof.

THIS DEED OF TRUST SECURED BY THE NOTE MAY NOT BE SOLD OR TRANSFERRED
WITHOUT THE HOLDER'S CONSENT. UPON BREACH OF THIS PROVISION, HOLDER MAY
DECLARE ALL SUMS DUE UNDER THIS NOTE IMMEDIATELY DUE AND PAYABLE.

PROVIDED HOWEVER IF NOT SOONER PAID THE ENTIRE UNPAID PRINCIPAL BALANCE
TOGETHER WITH ACCRUED INTEREST SHALL BE ALL DUE AND PAYABLE ON OR BEFORE
NOVEMBER 1, 2002.
Assessor's Tax Parcel ID #: P102431 350424-1-001-0100 P37512
350424-0-127-0005

which real property is not used principally for agricultural or farming
purposes, together with all the tenements, hereditaments, and
appurtenances now or hereafter thereto 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 Two Hundred
Fifty-Two Thousand Seven Hundred Seventy Six Dollars and 38/100 (\$
252,776.38) 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



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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.

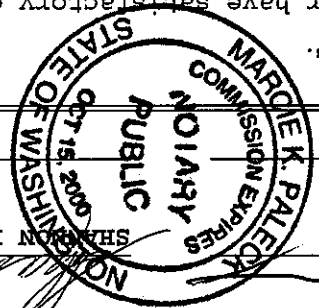
Dated: _____

REQUEST FOR FULL RECONVEYANCE
Do not record. To be used only when note has been paid.

MARCIE K. PALECK
Notary Public in and for the State of Washington, residing at MOUNT VERNON
My appointment expires: OCTOBER 15, 2000

I certify that I know or have satisfactory evidence that JOHN W. ELLIS SHANNON ELLIS 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 Oct 29 1999 _____



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 of 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, 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.

JOHN W. ELLIS
SHANNON ELLIS

SB-14943

EXHIBIT "A"

PARCEL A:

That portion of the Northeast Quarter of Section 24, Township 35 North, Range 4 East of the Willamette Meridian, described as follows:

Commencing at the intersection of the West right-of-way line (40 feet from centerline) of Township Road with the North right-of-way line (75 feet from centerline) of Secondary State Highway No. 1-A; thence South 88°33'29" West, along the North line of said State Highway No. 1-A, a distance of 76.20 feet to a line 20 feet North of, as measured perpendicular to, the South line of the East one-third of the Northeast Quarter of the Northeast Quarter of said Section 24;

thence North 88°51'15" West along said line 20 feet North of said southerly line and parallel with said southerly line, a distance of 188.90 feet to the true point of beginning;

thence North 00°00'00" East a distance of 152.02 feet; thence South 88°51'15" East, parallel with said South line, a distance of 63.18 feet to a point that bears North 88°51'15" West and is 202.00 feet distant from the West line of said Township Road;

thence North 00°00'00" East, parallel with said Township Road, a distance of 207.06 feet to a line that is 379 feet North of, as measured perpendicular to, the South line of said Northeast Quarter of the Northeast Quarter;

thence North 88°51'15" West parallel with said South line, a distance of 204.98 feet to the West line of said East one-third of the Northeast Quarter of the Northeast Quarter;

thence South 00°17'16" East along said West line, a distance of 359.12 feet to a line that is parallel with and 20 feet North of, as measured perpendicular to, said South line of the East one-third of the Northeast Quarter of the Northeast Quarter;

thence South 88°51'15" East along said parallel line, a distance of 140.00 feet to the true point of beginning;

(Also known as Lot 2 of that Survey recorded July 12, 1991, under Auditor's File No. 9107120026, in Volume 11 of Surveys, pages 127 and 128, records of Skagit County, Washington).

continued



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EXHIBIT "A"

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PARCEL B:

The West 65.5 feet of the following described tract:

That portion of the Northeast Quarter of the Northeast Quarter of Section 24, Township 35 North, Range 4 East of the Willamette Meridian, described as follows:

Beginning at a point on the West line of State Highway right-of-way a distance of 172 feet North of the South line of said Northeast Quarter of the Northeast Quarter;
thence North a distance of 87 feet, more or less, to the Southeast corner of that tract of land as conveyed to Albert J. Anderson and Hannah Anderson, by deed recorded December 17, 1953, under Auditor's File No. 496353, records of Skagit County, Washington;
thence West a distance of 146.5 feet to the Southwest corner of said Anderson Tract;
thence North a distance of 120 feet, more or less, to the Northwest corner of said Anderson Tract, said Northwest corner being 379 feet North of South line of the Northeast Quarter of the Northeast Quarter;
thence West 65.5 feet to a point 212.0 feet West of the West line of said State Highway right-of-way;
thence South parallel with the West line of State Highway right-of-way a distance of 207 feet;
thence East a distance of 212 feet to the point of beginning.

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EXHIBIT "A"

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PARCEL C:

An easement of ingress, egress and utilities over, under and across the South 20 feet of the following described tract:

That portion of the Northeast Quarter of the Northeast Quarter of Section 24, Township 35 North, Range 4 East of the Willamette Meridian, described as follows:

Beginning at a point on the West line of State Highway right-of-way a distance of 172 feet North of the South line of said Northeast Quarter of the Northeast Quarter;
thence North a distance of 87 feet, more or less, to the Southeast corner of that tract of land as conveyed to Albert J. Anderson and Hannah Anderson, by deed recorded December 17, 1953, under Auditor's File No. 496353, records of Skagit County, Washington;
thence West a distance of 146.5 feet to the Southwest corner of said Anderson Tract;
thence North a distance of 120 feet, more or less, to the Northwest corner of said Anderson Tract, said Northwest corner being 379 feet North of the South line of the Northeast Quarter of the Northeast Quarter;
thence West a distance of 65.5 feet to a point 212.0 feet West of the West line of said State Highway right-of-way;
thence South parallel with the West line of said State Highway right-of-way a distance of 207 feet;
thence East a distance of 212 feet to the point of beginning;

EXCEPT the West 65.5 feet thereof.

ALL Situated in Skagit County, Washington.

- END OF EXHIBIT "A" -



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