

WHEN RECORDED RETURN TO

Name **Skagit State Bank**
 301 E. Fairhaven Ave.
 Address P.O. Box 295
 Burlington, WA 98233-0285
 City, State, Zip



Land Title Company

FILED FOR RECORD AT REQUEST OF
 Ptn Lot 2 in 25-36-2
 360225-0-015-0406

LAND TITLE COMPANY OF SKAGIT COUNTY

941059

200009150008
 Skagit County Auditor
 9/15/2000 Page 1 of 6 8:45:27AM

Deed of Trust

(For Use in the State of Washington Only)

THIS DEED OF TRUST, made this 12th day of September, 2000, between
 WILMA LOUIA, an unmarried person as her separate estate, GRANTOR,
 whose address is P.O. Box 675, Burlington, WA 98233,
 LAND TITLE COMPANY OF SKAGIT COUNTY, a corporation, TRUSTEE, whose address is
 P.O. Box 445, Burlington, Washington, and SKAGIT STATE BANK,
 BENEFICIARY,
 whose address is 301 E. Fairhaven Ave., Burlington, WA 98233,
 WITNESSETH: Grantor hereby bargains, sells and conveys to Trustee in Trust, with power of sale, the
 following described real property in Skagit County, Washington:

See Exhibit "A" attached hereto and made a part hereof by this
 reference.

This deed of trust is given as security for that certain note dated 7/19/99
 in the amount of \$102,844.96; this note is a revolving line of credit.

THIS IS GIVEN FOR SECURITY PURPOSES ONLY

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
****Fifty Thousand and no/100****

Dollars (\$50,000.00) 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 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. 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 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 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 may be necessary to fully satisfy the obligation secured hereby, shall be paid to Beneficiary to be applied to said obligation.
2. 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.
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 thereto.
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, 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.

Wilma Louia
Wilma Louia

STATE OF WASHINGTON

COUNTY OF Skagit

SS.

On this day personally appeared before me

Wilma Louia
to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that she signed the same as her free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 12th day of September, 2000

Candace M. Taylor

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

My appointment expires: 1/1/01

Candace M. Taylor

STATE OF WASHINGTON

COUNTY OF

SS.

On this.....day of, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared

to me known to be the President and.....Secretary, respectively of.....the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that authorized to execute the said instrument and that the seal affixed is the corporate seal of said corporation.

Witness my hand and official seal hereto affixed the day and year first above written.

Notary Public in and for the State of Washington,
residing at

My appointment expires:

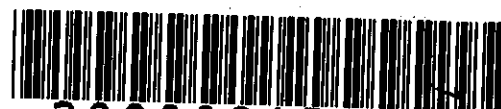
REQUEST FOR FULL RECONVEYANCE

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



200009150008

, Skagit County Auditor

9/15/2000 Page 2 of 6 8:45:27AM

EXHIBIT "A"

PARCEL "G":

That portion of Government Lot 2 of Section 25, Township 36 North, Range 2 East, W.M., more particularly described as follows:

Beginning at an existing concrete marker for the meandering corner on the West section line of said section;
thence North $88^{\circ}07'33''$ East along the meander line 219.05 feet;
thence South $0^{\circ}02'$ West 193.56 feet to the Southwest corner of that certain tract of land sold to James C. Metzker by instrument recorded May 4, 1972, under Auditor's File No. 767775, said point being the true point of beginning;
thence North $89^{\circ}58'$ West a distance of 20 feet, more or less, to the East line of that certain tract sold to Paul Billeter et ux by instrument recorded July 26, 1967, under Auditor's File No. 702409;
thence South along said East line and said East line extended, a distance of 83 feet, more or less, to a point which bears North $89^{\circ}58'$ West a point on the East line of that certain tract of land conveyed to Robert E. Green by deed recorded May 20, 1944, under Auditor's File No. 371659, which lies 83 feet from the South line of said Metzker Tract when measured along said East line;
thence South $89^{\circ}58'$ East a distance of 148.83 feet, more or less, to the East line of said Green Tract;
thence North along the East line of said Green Tract 83 feet to the South line of the said Metzker Tract;
thence West along said South line 129.64 feet to the true point of beginning,



200009150008

, Skagit County Auditor

DESCRIPTION CONTINUED:

PARCEL "G" Continued:

EXCEPT that portion lying West of the East line of the following described tract:

Beginning at the meander corner common to Sections 25 and 26, Township 36 North, Range 2 East, W.M.;
thence Easterly along the meander line 219.05 feet;
thence South 33.56 feet to the true point of beginning;
thence South 430 feet, more or less, to the County road;
thence West 20 feet;
thence North 380 feet, more or less, to the Northeast corner of that certain parcel conveyed to James H. Miles and Mabel M. Miles, husband and wife, to Martin M. Buckner and Edna L. Buckner, husband and wife, by Quit Claim Deed dated May 25, 1961 and recorded August 26, 1963, under Auditor's File No. 640052;
thence West 10.78 feet;
thence North 50 feet;
thence East 30 feet to the point of beginning. (Said Parcel also known as Tract A of Short Plat No. 35-73.)

TOGETHER WITH an easement for ingress, egress and utilities of the East 10 feet of Tracts B and C of said Short Plat No. 35-73.

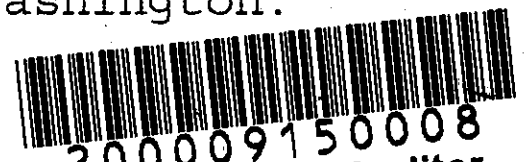
Situate in the County of Skagit, State of Washington.

PARCEL "H":

An undivided 1/16th interest in an irregular shaped roadway described as follows:

Beginning at the meander corner common to Sections 25 and 26, Township 36 North, Range 2 East, W.M.;
thence Easterly along the meander line 219.05 feet;
thence South 33.56 feet to the true point of beginning;
thence South 430 feet, more or less, to the County road;
thence West 20 feet;
thence North 380 feet, more or less, to the Northeast corner of that certain parcel conveyed by James H. Miles and Mabel M. Miles, husband and wife, to Martin M. Buckner and Edna L. Buckner, husband and wife, by Quit Claim Deed dated May 25, 1961 and recorded August 26, 1963, under Auditor's File No. 640052;
thence West 10.78 feet;
thence North 50 feet;
thence East 30 feet to the point of beginning.

Situate in the County of Skagit, State of Washington.



DESCRIPTION CONTINUED:

PARCEL "I":

An easement for ingress, egress and utilities over, under and across the following described tract:

That portion of Government Lot 2 of Section 25, Township 36 North, Range 2 East, W.M., more particularly described as follows:

Beginning at an existing concrete marker for the meandering corner on the West section line of said section;
thence North $88^{\circ}07'33''$ East along the meander line, 219.05 feet;
thence South $0^{\circ}02'$ West 193.56 feet to the Southwest corner of that certain tract of land sold to James C. Metzker by instrument recorded May 4, 1972, under Auditor's File No. 767775, said point being the true point of beginning;
thence North $8^{\circ}58'$ West a distance of 20 feet, more or less, to the East line of that certain tract of land sold to Paul Billeter and Edna H. Billeter, husband and wife, by instrument recorded July 26, 1967, under Auditor's File No. 702409;
thence South along said East line 79.20 feet, more or less, to the Southeast corner of said Billeter tract;
thence West along the South line of said Billeter tract 15 feet;
thence South $0^{\circ}02'$ West, 180 feet, more or less, to the North line of the existing public road commonly referred to as the Blue Heron Road;
thence North $86^{\circ}27'50''$ East along the North line of said road, 40 feet, more or less, to a point which lies South $86^{\circ}27'50''$ West, 121.72 feet from the East line of that certain tract of land conveyed to Robert E. Green by deed recorded May 20, 1944, under Auditor's File No. 371659, when measured along the North line of said road;
thence North $0^{\circ}02'$ East 144.20 feet;
thence North $25^{\circ}10'42''$ East 35.37 feet;
thence North $0^{\circ}02'$ East, 83.00 feet, more or less, to the South line of said Metzker tract;
thence East along said South line a distance of 20 feet, more or less, to the true point of beginning,

EXCEPT that portion thereof lying within the boundaries of the above described Parcels "G" and "H".

Situate in the County of Skagit, State of Washington.

- Continued -



200009150008

, Skagit County Auditor

9/15/2000 Page 5 of 6 8:45:27AM

DESCRIPTION CONTINUED:

PARCEL "J":

TOGETHER WITH an undivided 1/16th interest in the following described real property:

Tidelands of the second class, situated in front of, adjacent to or abutting upon that part of the shoreline of Lot 2, Section 25, Township 36 North, Range 2 East, W.M., extending from the Northwest corner of said lot to a point South 87°22' East 351.2 feet from said Northwest corner of said lot,

EXCEPT the West 2 chains thereof.

Situate in the County of Skagit, State of Washington.

PARCEL "K":

TOGETHER WITH an undivided 1/16th interest in the following described beach property:

Beginning at the meander corner common to Sections 25 and 26, Township 36 North, Range 2 East, W.M.;
thence East 109 feet to the true point of beginning;
thence East along the meander line 239.65 feet;
thence South 44.55 feet;
thence West 239.65 feet, more or less;
thence North 30 feet to the true point of beginning.

Situate in the County of Skagit, State of Washington.



200009150008
Skagit County Auditor
9/15/2000 Page 6 of 6 8:45:27AM