

After recording return to
Law Office of Goddard & Montoure
PO Box 1013
Mount Vernon, Washington 98273



200303260186
Skagit County Auditor

3/26/2003 Page 1 of 6 3:41PM

DEED OF TRUST

(For Use in the State of Washington Only)

THIS DEED OF TRUST, made this 26, of February 2003, between GRANTOR Michael Wayne Hanna whose address is: P. O. Box 1042, Mount Vernon, WA 98273

TRUSTEE Dianne Edmonds Goddard, Attorney at Law whose address is: PO Box 1013 Mount Vernon, Washington and BENEFICIARY(IES) Kristi Evelyn Hanna, whose address is 12391 Gull Drive, Burlington, WA 98233

WITNESSETH: GRANTOR(S) hereby bargains, sells and conveys to TRUSTEE in Trust, with power of sale, the following described real property in Skagit County, Washington:

Commonly known as: 126 and 130 Lee Lane, Mount Vernon, Washington 98273
Parcel Number: R 340422-4-023-0104, P 27594
And Legally known as: Tract 4A of Skagit County Short Plat No. 45-80, approved August 13, 1980, recorded August 20, 1980, in Volume 4 of Short Plats, page 159, under Auditor's file No. 8098200005, being a portion of the East 1/2 of the West 1/2 of the Northeast 1/4 of the Southeast 1/4 of Section 22, Township 34 North, Range 4 East, W.M., and as Amended by Boundary Line Adjustment recorded July 25, 1985, under Auditor's file No. 8507250030.

Subject to: exceptions contained in First American Title-Skagit County Preliminary Commitment for Title Insurance, order # 51034, as more fully described in Exhibit "A" attached hereto and by this reference made a part hereof.

Situated in Skagit County, State of Washington.

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. The Grantor herein agree that in the event any portion of the premises herein conveyed is sold or assigned, any sums due and owing to the Beneficiaries herein under the terms of this Deed of Trust and the Note secured hereby will become immediately due and payable, at the option of the Beneficiary.

This Deed is for the purpose of securing performance of each agreement of Grantor herein contained, and payment of the sum of (\$45,000.00) Forty –Five Thousand US Dollars with interest, in accordance with the terms of a Promissory Note of even date herewith, payable to Beneficiary(ies) or order, and made by Grantor(s), and all renewals, modifications and extensions thereof, and also such further sums as may be advanced or loaned by Beneficiary(ies) to Grantor(s), 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(s) 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 e built thereon; to restore promptly any building, structure or improvement thereon which may be damaged or destroyed; an to comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting the property.
2. To pay before delinquencies 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 of 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(ies), and be in such companies as the Beneficiary(ies) may approve and have loss payable first to the Beneficiary(ies), as its interest may appear, and then to the Grantor(s). The amount collected under any insurance policy may be applied upon any indebtedness hereby secured in such order as the Beneficiary(ies) shall determine. Such application by the Beneficiary(ies) shall not cause discontinuance of any proceedings to foreclose this Deed of Trust. In the event of foreclosure, all rights of the Grantor(s) 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(ies) or Trustee and to pay all costs and expenses, including costs of title search and attorney's fees in a reasonable amount, in any such action or proceeding, and in any suit brought by Beneficiary(ies) 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(s) fail to pay when due any taxes, assessments, insurance premiums, liens, encumbrances or other charges against the property hereinabove described, Beneficiary(ies) 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 proceedings, 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(ies) to be applied to said obligation.

2. By accepting payment of any sum secured hereby after its due date, Beneficiary(ies) 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(s) and the Beneficiary(ies), or upon satisfaction of the obligation secured and written request for reconveyance made by the Beneficiary(ies) or the person entitled thereto.

4. Upon default by Grantor(s) in the payment of any indebtedness secured hereby or in the performance of any agreements contained hereto, all sums secured hereby shall immediately become due and payable at the option of the Beneficiary(ies). In such event and upon written request of Beneficiary(ies), 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 person 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(s) 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 purchase and encumbrances for value.



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 _____, 20



EXHIBIT

"A"

EXCEPTIONS:

A. RESERVATIONS CONTAINED IN DEED

Executed by: Pope & Talbot, Inc.
Dated: JULY 12, 1946
Recorded: JULY 25, 1946
Auditor's No.: 374312
As Follows:

"...reserving use of old logging road along East line and across Southeast corner thereof for road purposes as a means of access to property in Section 22 and 27, in said Township, until County road is provided."

B. RESERVATIONS CONTAINED IN INSTRUMENT:

From: Lena Decker
Recorded: MAY 18, 1979
Auditor's No.: 7905180053
As Follows:

"It is further agreed by and between the parties that the Seller shall have the unrevocable right to live in said home as long as she so desired."

C. TERMS, COVENANTS, CONDITIONS, NOTES AND RESTRICTIONS CONTAINED IN SAID SHORT PLAT, SOME OF WHICH MAY HAVE CHANGED OR EXPIRED WITHOUT NOTICE ON THE PUBLIC RECORD:

Short Plat No.: 46-80
As Follows:

- 1.) All maintenance and construction of private roads are the responsibility of the lot owners;
- 2.) Short Plat Number and Date of Approval shall be included in all Contracts and Deeds;
- 3.) Zoning - Residential;
- 4.) Water - P.U.D.; and
- 5.) Sewage - Individual Septic Tanks.

D. EASEMENT AS DELINEATED AND/OR DEDICATED ON THE FACE OF THE SHORT PLAT:

"...reserving use of old logging road along East line and across Southeast corner thereof for road purposes as a means of access to property in Section 22 and 27, in said Township, until County road is provided."

E. Declaration of Easement, Covenants and Road Maintenance Agreement, as recorded October 31, 1988, under Auditor's File No. 8810310028.

(Copy attached)



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Skagit County Auditor