

After Filing Return To:

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1420 Fifth Avenue, Suite 3400  
Seattle, WA 98101



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Skagit County Auditor

2/20/2004 Page

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**DEED OF TRUST**

**Grantors:** Richard D. Wailes, Jr., and Camille Wailes, husband and wife

**Beneficiary:** Lenore A. Wailes

**Trustee:** DL Services, Inc.

**Abbreviated Legal Description:** THE NORTH 200 FEET OF TR 8, SURVEY OF SINCLAIR, SINCLAIR ISLAND, WA

AND

ACREAGE ACCOUNT, ACRES 18.40, TR 8 SURVEY OF SINCLAIR, SINCLAIR ISLAND, WA

**Assessor's Tax Parcel ID#:** 360109-0-001-0700 and 360109-0-001-0011

**Reference #** N/A

## DEED OF TRUST

THIS DEED OF TRUST, made this 31<sup>st</sup> day of January, 2004 between Richard D. Wailes, Jr., and Camille Wailes, GRANTORS, whose address is 15606 133<sup>rd</sup> Place NE, Woodinville, Washington 98072; DL Services, Inc., TRUSTEE, whose address is 1420 Fifth Avenue, Suite 3400, Seattle, Washington 98101; and Lenore A. Wailes, BENEFICIARY, whose address is 14830 210<sup>th</sup> Avenue NE, Woodinville, Washington 98072, WITNESSETH: Grantors hereby bargain, sell and convey to Trustee in Trust, with power of sale, all Grantors' present and future right, title and interest in that certain real property in the unincorporated Skagit County, in the state of Washington, legally described on Exhibit A, attached hereto and by this reference incorporated herein, 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 Grantors herein contained, and payment of the sum of Two Hundred Seven Thousand Eight Hundred Twenty Five and 00/100 US Dollars (\$207,825.00) with interest, in accordance with the terms of that certain promissory note dated January 31, 2004, payable to Beneficiary or order, and made by Grantors, and all renewals, modifications and extensions thereof, together with interest thereon at such rate as shall be agreed upon.

To protect the security of this Deed of Trust, Grantors covenant and agree:

1. 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.
2. 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.
3. Should Grantors 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 Grantors and the Beneficiary, or upon satisfaction



of the obligation secured and written request for reconveyance made by the Beneficiary or the person entitle thereto.

4. Upon default by Grantors in the payment of any indebtedness secured hereby or in the performance of any agreement contained herein, all sums secured hereby shall become due and payable at the option of the Beneficiary upon ten (10) days prior written notice. 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.

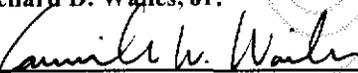
5. Trustee shall deliver to the purchaser at the sale its deed, without warranty, which shall convey to the purchaser the interest in the property which Grantors had or had the power to convey at the time of his execution of this Deed of Trust, and such as Grantors may have acquired thereafter. Trustee's 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 dissolution 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 Grantors, 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.

GRANTORS:

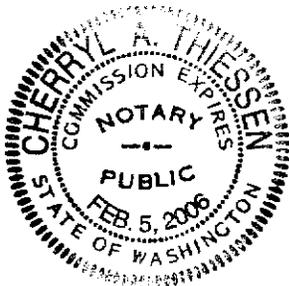
  
\_\_\_\_\_  
Richard D. Wailes, Jr.  
  
\_\_\_\_\_  
Camille Wailes



STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF KING )

On this day personally appeared before me Richard D. Wailes, Jr., and Camille Wailes, to me known to be the individuals described in and who executed the within and foregoing instrument, and acknowledged that they signed the same as their free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 31 day of January, 2004.



Cherryl A Thiessen  
[Signature]

Cherryl A Thiessen  
[Print Name]

Notary public in and for the State of Washington,  
residing at Woodinville  
My commission expires Feb 5, 2006



EXHIBIT A

That certain real property situate in unincorporated Skagit County, State of Washington, legally described as:

The north 200 feet of Tract 8, Survey of Sinclair AF #68106180002 located in the NE ¼  
together with

Acreage account, acres 18.40, OST #01-0201 AF #200108080020 2001 Tract 8 of the  
Survey of Sinclair AF #8106180002 Except the North 200 feet.

Tax Parcel Nos. 360109-0-001-0700 and 360109-0-001-0011

