



200505240078
Skagit County Auditor

5/24/2005 Page 1 of 10 10:51AM

After Recording Return To:
FIRST HORIZON HOME LOAN CORPORATION



Record and Return To:
Integrated Loan Services
27 Inwood Road
Rocky Hill, CT 06067

RAPHAEL, MARK G

[Space Above This Line For Recorders' Use]

0053483673

**WASHINGTON
LINE OF CREDIT DEED OF TRUST
(Securing Future Advances)**

Grantor(s)
MARK G RAPHAEL & MICAEL G RAPHAEL, Husband & Wife

Grantee(s)
FIRST HORIZON CORPORATION D/B/A FIRST HORIZON HOME LOANS

Additional grantor(s)/grantee(s), if any, at Page No(s): _____

Trustee: Fidelity National Title Ins Co of WA

Abbreviated Legal Description of the Property: (Include lot, block and plat or section, township and range)
LOTS 11 AND 12, BLOCK 61, "MAP OF THE CITY OF ANACORTES, SKAGIT COUNTY, WASHINGTON",
AS PER PLAT RECORDED IN VOLUME 2 OF PLATS, PAGE 4
APN / PARCEL #: P55302

Full Legal Description of the Property located on Page _____

Deed of Trust Recording Reference No.: _____

Assessor's Property Tax Parcel or Account No.: _____

Reference Number(s) of Documents Assigned or Released.: _____

29
F19F-180

**WASHINGTON
LINE OF CREDIT TRUST DEED
(Securing Future Advances)**

THIS DEED OF TRUST is made on **May 4th, 2005**

The Grantor is

MARK G RAPHAEL & MICAEL G RAPHAEL, Husband & Wife

whose address is

1120 8TH STREET, ANACORTES, Washington 98221

, ("Grantor").

The Trustee is

Fidelity National Title Ins Co of WA

whose address is

401 SW Fourth Avenue, Portland 97204

, ("Trustee").

The Beneficiary is **FIRST HORIZON CORPORATION**

D/B/A FIRST HORIZON HOME LOANS

whose address is **4000 Horizon Way,**

Irving, Texas 75063

, (Grantee").

In this Deed of Trust, the terms "you", "your", and "yours" refer to the grantor(s). The Terms "we", "us", and "our" refer to the beneficiary.

Pursuant to a Home Equity Line of Credit Agreement dated the same date as this Deed of Trust ("Agreement"), Beneficiary is obligated to make and you may incur maximum unpaid loan indebtedness (exclusive of interest thereon) in amounts fluctuating from time to time up to the **MAXIMUM PRINCIPAL AMOUNT** outstanding at any time of **ONE HUNDRED FIFTY THOUSAND & 00/100**

Dollars (U.S. \$ **150,000.00**).

The Agreement provides for the full debt to be paid by you no later than on **JUNE 1, 2025**.

You agree that this Deed of Trust shall continue to secure all sums now or hereafter advanced under the terms of the Agreement including, without limitation, such sums that are advanced by us whether or not at the time the sums are advanced there is any principal sum outstanding under the Agreement. The parties hereto intend that this Deed of Trust shall secure unpaid balances, and all other amounts due to us hereunder and under the Agreement.

This Deed of Trust secures to us: (a) the repayment of the debt evidenced by the Agreement, with interest, and all refinancings, renewals, extensions and modifications of the Agreement; (b) the payment of all other sums, with interest, advanced under this Deed of Trust to protect the security of this Deed of Trust; and (c) the performance of your covenants and agreements under this Deed of Trust and the Agreement. For this purpose and in consideration of the debt, you irrevocably grant and convey to the Trustee and Trustee's successors and assigns, in trust, with power of sale, the property located in **Skagit** County, Washington and more fully described as follows:

All that tract or parcel of land as shown on Schedule "A" attached hereto which is incorporated herein and made a part hereof.

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WA HELOC FHHLC FHEL Corresp. 04-04

2 of 8



200505240078

Skagit County Auditor

5/24/2005 Page

2 of

10 10:51AM

Which property is more commonly known as

1120 8TH STREET, ANACORTES, Washington 98221
(street), (city), (state) (zip code)("Property Address").

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances, and fixtures now or hereafter a part of the property. All replacements and additions shall be covered by this Deed of Trust. All of the foregoing is referred to in this Deed of Trust as the "Property".

YOU COVENANT that you are lawfully seized of the estate hereby conveyed and have the right to grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. You warrant and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

YOU AND WE covenant and agree as follows:

- 1. Payment of Principal, Interest and Other Charges.** You shall pay when the principal of and interest owing under the Agreement and all other charges due hereunder and due under the Agreement.
- 2. Application of Payments.** Unless applicable law provides otherwise, all payments received by us under the Agreement and Section 1 shall be applied by us as provided in the Agreement.
- 3. Prior Deed of Trusts; Charges; Liens.** You shall perform all of your obligations under any mortgage, deed of trust or other security instruments with a lien which has priority over this Deed of Trust, including your covenants to make payments when due. You shall pay all taxes, assessments, charges, fines and impositions attributable to the Property that may attain priority over this Deed of Trust or any advance under this Deed of Trust, and leasehold payments or ground rents, if any. Upon our request, you shall promptly furnish to us all notices of amounts to be paid under this paragraph and receipts evidencing any such payments you make directly. You shall promptly discharge any lien (other than a lien disclosed to us in your application or in any title report we obtained) which has priority over this Deed of Trust or any advance under this Deed of Trust.

We specifically reserve to our self and our successors and assigns the unilateral right to require, upon notice, that you pay to us on the day monthly payments are due an amount equal to one-twelfth (1/12) of the yearly taxes, and assessments (including condominium and planned unit development assessments, if any) which may attain priority over this Deed of Trust and ground rents on the Property, if any, plus one-twelfth (1/12) of yearly premium installments for hazard and mortgage insurance, all as we reasonably estimate initially and from time to time, as allowed by and in accordance with applicable law.

4. Hazard Insurance. You shall keep the property insured against loss by fire, hazards included within the term "extended coverage" and any other hazards, including floods or flooding, for which we require insurance. This insurance shall be maintained in the amounts and for the periods that we require. You may choose any insurer reasonably acceptable to us. Insurance policies and renewals shall be acceptable to us and shall include a standard mortgagee clause. If we require, you shall promptly give us all receipts of paid premiums and renewal notices. If you fail to maintain coverage as required in this section, you authorize us to obtain such coverage as we in our sole discretion determine appropriate to protect our interest in the Property in accordance with the provisions in Section 6. You understand and agree that any coverage we purchase may cover only our interest in the Property and may not cover your interest in the Property or any personal property therein. You also understand and agree that the premium for any such insurance may be higher than the premium you would pay for such insurance.



You shall promptly notify the insurer and us of any loss. We may make proof of loss if you do not promptly do so.

We may also, at our option and on your behalf, adjust and compromise any claims under the insurance, give releases or acquittances to the insurance company in connection with the settlement of any claim and collect and receive insurance proceeds. You appoint us as your attorney-in-fact to do all of the foregoing, which appointment you understand and agree is irrevocable, coupled with an interest with full power of substitution and shall not be affected by your subsequent disability or incompetence.

Insurance proceeds shall be applied to restore or repair the Property damaged, if restoration or repair is economically feasible and our security would not be lessened. Otherwise, insurance proceeds shall be applied to sums secured by this Deed of Trust, whether or not then due, with any excess paid to you. If you abandon the Property, or do not answer within 30 days of our notice to you that the insurer has offered to settle a claim, then we may collect and use the proceeds to repair or restore the Property or to pay sums secured by this Deed of Trust, whether due or not then due. The 30-day period will begin when notice is given. Any application of proceeds to principal shall not require us to extend or postpone the due date of monthly payments or change the amount of monthly payments. If we acquire the Property at a forced sale following your default, your right to any insurance proceeds resulting from damage to the Property prior to the acquisition shall pass to us to the extent of the sums secured by this Deed of Trust immediately prior to the acquisition.

You shall not permit any condition to exist on the Property that in any way, would invalidate the insurance coverage on the Property.

5. Preservation, Maintenance and Protection of the Property; Borrower's Loan Application Leaseholds.

You shall not destroy, damage or substantially change the Property, allow the Property to deteriorate, or commit waste. You shall be in default if any forfeiture action or proceeding, whether civil or criminal, is begun that in our good faith judgment could result in forfeiture of the Property or otherwise materially impair the lien created by this Deed of Trust or our security interest. You may cure such a default, as provided in Section 17, by causing the action or proceeding to be dismissed with a ruling that, in our good faith determination, precludes forfeiture of your interest in the Property or other material impairment of the lien created by this Deed of Trust or our security interest. You shall also be in default if you, during the loan application process, gave materially false or inaccurate information or statements to us (or failed to provide us with any material information) in connection with the loan evidenced by the Agreement, including, but not limited to, representations concerning your occupancy of the Property as a principle residence. If this Deed of Trust is on a leasehold, you shall comply with the lease. If you acquire fee title to the Property, the leasehold and fee title shall not merge unless we agree to the merger in writing.

6. Protection of Our Rights in the Property; Mortgage Insurance. If you fail to perform the covenants and agreements contained in this Deed of Trust, or there is a legal proceeding that may significantly affect our rights in the Property (such as proceeding in bankruptcy, probate, for condemnation or forfeiture or to enforce laws or regulations), then we may do, and pay for, anything necessary to protect the Property's value and our rights in the Property. Our actions may include paying any sums secured by a lien that has priority over this Deed of Trust or any advance under the Agreement or this Deed of Trust, appearing in court, paying reasonable attorney's fee, paying any sums that you are required to pay under this Deed of Trust and entering on the Property to make repairs. We do not have to take any action we are permitted to take under this paragraph. Any amount we pay under this paragraph shall become additional debts you owe us and shall be secured by this Deed of Trust. These amounts shall bear interest from the disbursement date at the rate established under the Agreement and shall be payable, with interest, upon our request. If we required mortgage insurance as a condition of making the loan secured by this Deed of Trust, you shall pay the premiums for such insurance until such time as the requirement for the insurance terminates.



7. Inspection. We may enter and inspect the Property at any reasonable time and upon reasonable notice.

8. Condemnation. The proceeds of any award for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to us. If the Property is abandoned, or if, after notice by us to you that the condemnor offers to make an award or settle a claim for damages, you fail to respond to us within 30 days after the date the notice is given, we are authorized to collect and apply the proceeds, at our option, either to restoration or repair of the Property or to the sums secured by this Deed of Trust, whether or not then due. Unless we and you otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments payable under the Agreement and Section 1 or change the amount of such payments.

9. You Are Not Released; Forbearance by Us Not a Waiver. Extension of time for payment or modification of amortization of the sums secured by this Deed of Trust granted by us to any of your successors in interest shall not operate to release your liability or the liability of your successors in interest. We shall not be required to commence proceedings against any successor in interest, refuse to extend time for payment or otherwise modify amortization of the sums secured by this Deed of Trust by reason of any demand made by you or your successors in interest. Our forbearance in exercising any right or remedy shall not waive or preclude the exercise of any right or remedy.

10. Successors and Assigns Bound; Joint and Several Liability; Co-signers. The covenants and agreements of this Deed of Trust shall bind and benefit your successors and permitted assigns. Your covenants and agreements shall be joint and several. Anyone who co-signs this Deed of Trust but does not execute the Agreement: (a) is signing this Deed of Trust only to mortgage, grant and convey such person's interest in the Property; (b) is not personally obligated to pay the Agreement, but is obligated to pay all other sums secured by this Deed of Trust; and (c) agrees that we and anyone else who signs this Deed of Trust may agree to extend, modify, forbear or make any accommodations regarding the terms of this Deed of Trust or the Agreement without such person's consent.

11. Loan Charges. If the loan secured by Deed of Trust is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from you which exceed permitted limits will be refunded to you. We may choose to make this refund by reducing the principal owed under the agreement or by making a direct payment to you. If a refund reduces principal, the reduction will be treated as a partial prepayment without prepayment charge under the Agreement.

12. Notices. Unless otherwise required by law, any notice to you provided for in this Deed of Trust shall be delivered or mailed by first class mail to the Property Address or any other address you designate by notice to us. Unless otherwise required by law, any notice to us shall be given by first class mail to our address stated above or any other address we designate by notice to you. Any notice provided for in this Deed of Trust shall be deemed to have been given to you or us when given as provided in this paragraph.

13. Law that governs this Security Instrument. This Security Instrument is governed by federal law, and to the extent that federal law does not apply, then this Security Instrument shall be governed by state law where the Property is located. If any term of this Security Instrument conflicts with the laws, all other terms of this Security Instrument will remain in effect if they can be given effect without the conflicting term.

14. Transfer of the Property. If all or any part of the Property or any interest in it is sold or transferred without our prior written consent, we may, at our option, require immediate payment in full of all sums secured by this Deed of Trust. However, this option shall not be exercised by us if exercise is prohibited by federal law as of the date of this Deed of Trust.



200505240078

Skagit County Auditor

5/24/2005 Page

5 of 10 10:51AM

15. Sale of Agreement; Change of Loan Servicer. The agreement or partial interest in the Agreement (together with this Deed of Trust) may be sold one or more times without prior notice to you. A sale may result in a change in the entity (known as the "Loan Servicer") that collects monthly payments due under the Agreement and this Deed of Trust. There also may be one or more changes of the Loan Servicer unrelated to the sale of the Agreement. If there is a change of the Loan Servicer, you will be given written notice of the change as required by applicable law. The notice will state the name and address of the new Loan Servicer and the address to which payments should be made. The notice will also contain any information required by applicable law.

16. Hazardous Substances. You shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the Property. You shall not do, nor allow anyone else to do, anything affecting the Property that is in violation of any Environmental Law. The preceding two sentences shall not apply to the presence, use, or storage on the Property of Hazardous Substances in quantities that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property. You shall promptly give us written notice of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which you have actual knowledge. If you learn or are notified by any government or regulatory authority, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, you shall promptly take all necessary remedial actions in accordance with Environmental Law. As used in this Deed of Trust, "Hazardous Substances" are those substances defined as toxic or hazardous substances by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials. As used in this Deed of Trust, "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety and environmental protection.

17. Acceleration; Remedies. You will be in default if (1) any payment required by the Agreement or this Deed of Trust is not made when it is due; (2) we discover that you have committed fraud or made a material misrepresentation in connection with the Agreement; or (3) you take any action or fail to take any action that adversely affects our security for the Agreement or any right we have in the Property. If a default occurs (other than under Section 14, unless applicable law provides otherwise), we will give you notice specifying: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to you, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Deed of Trust and sale of the Property. The notice shall further inform you of the right to reinstate after acceleration and the right to bring a court action to assert the nonexistence of a default or any other defense you may have to acceleration and sale. If the default is not cured on or before the date specified in the notice, we at our option, may declare all of the sums secured by this Deed of Trust to be immediately due and payable without further demand and may foreclose this Deed of Trust by judicial proceeding. We shall be entitled to collect in such proceeding all expenses of foreclosure, including, but not limited to, reasonable attorney's fees as permitted by applicable law, but not to exceed 20% of the amount you owe for principal and interest, and costs of title evidence.

If we invoke the **POWER OF SALE**, we shall give written notice to trustee of the occurrence of an event of default and of our election to cause the property to be sold. We and the Trustee shall take such action regarding notice of sale and shall deliver and post such notices to you and to the other persons as applicable law may require. After the time required by applicable law and after publication of the notice of sale, Trustee, without demand on you, shall sell the Property at public auction to the highest bidder at the time and place and under the terms designated in the notice of sale in one or more parcels and in any order Trustee determines. Trustee may postpone sale of the Property for a period or periods permitted by applicable law by public announcement at the time and place fixed in the notice of sale. Either we or our designee may purchase the Property at any sale.

Trustee shall deliver to the purchaser Trustee's deed conveying the Property without any covenant or warranty, expressed or implied. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the



statements made therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all expenses of the sale, including, but not limited to, reasonable Trustee's and attorney's fees, as set forth above; (b) to all sums secured by this Deed of Trust; and (c) any excess to the person or persons legally entitled to it or to the clerk of the superior court in which the sale took place.

18. Reconveyance. Upon your request and payment of all sums secured by this Deed of Trust, we shall request Trustee to reconvey the Property and shall surrender this Deed of Trust and all notes evidencing debt secured by this Deed of Trust to Trustee. Trustee shall reconvey the Property without warranty and without charge to the person or persons legally entitled to it. Such person or persons shall pay any recordation costs.

19. Substitute Trustee. We may, at our option, from time to time appoint a successor trustee to any Trustee appointed hereunder who has ceased to act. Without conveyance of the Property, the successor trustee shall succeed to all the title, powers and duties conferred upon the Trustee herein and by applicable law.

20. Use of Property. You covenant that the Property is not used principally for agricultural or farming purposes.

21. Discontinuance of Enforcement. Notwithstanding our acceleration of the sums secured by this Deed of Trust under the provisions of Section 17, we may, in our sole discretion and upon such conditions as we in our sole discretion determine, discontinue any proceedings begun to enforce the terms of this Deed of Trust.

22. Waiver. No waiver by us at any time of any term, provision or covenant in this Deed of Trust or in the note secured hereby shall be deemed to be construed as a waiver of any other term, provision or covenant or of the same term, provision or covenant at any other time.

23. Additional Charges. You agree to pay reasonable charges as allowed by law in connection with the servicing of this loan including, without limitation, the costs of obtaining tax searches and subordinations. Provided, however, that nothing contained in this section is intended to create and shall not be construed to create any duty or obligation by us to perform any such act, or to execute or consent to any such transaction or matter, except a release of the Deed of Trust upon full repayment of all sums secured thereby.

24. Riders to this Deed of Trust. If one or more riders are executed by you and recorded together with this Deed of Trust, the covenants and agreements of each such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Deed of Trust as if the rider(s) were a part of this Deed of Trust [Check applicable box(es)]

Planned Unit Development Rider 1-4 Family Rider Condominium Rider
Other(s) (Specify) **RIDER TO MORTGAGE, DEED OF TRUST, SECURITY DEED**

25. Waiver of Homestead Exemption. You agree to waive any Homestead Exemption you may have in the Property. Your waiver means that we may exercise all of our rights under this Security Instrument.

**Request for Notice of Default and Foreclosure
Under Superior Mortgages or Deeds of Trust**

I(We) and Lender request the holder of any mortgage, deed of trust, or other encumbrance with a lien that has priority over this Security Instrument to give notice to Lender, at Lender's address set forth on page one of this Security Instrument, of any default under the superior encumbrance and of any sale or other foreclosure action.

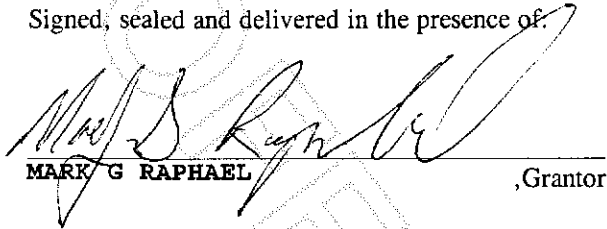


200505240078
Skagit County Auditor

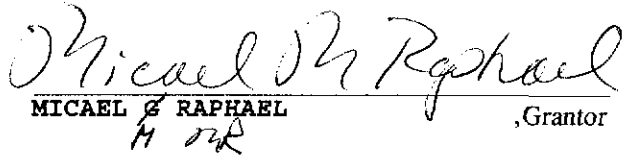
BY SIGNING BELOW, You accept and agree to the terms and covenants contained in this Deed of Trust and in any rider(s) executed by you and recorded with it.

BOTH SPOUSES MUST SIGN

Signed, sealed and delivered in the presence of:



MARK G RAPHAEL, Grantor



MICAEL G RAPHAEL, Grantor
H GR

_____, Grantor

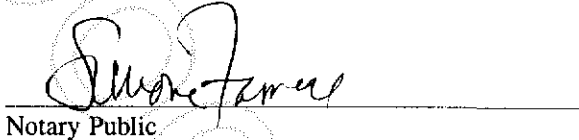
_____, Grantor

STATE OF WASHINGTON)
)ss:
COUNTY OF SKAGIT)

The foregoing instrument was acknowledged before me this 4th day of May, 2005, by
MARK G RAPHAEL MICAEL G RAPHAEL

to me known to be the person(s) aforesaid, who acknowledged that they executed this instrument as their free and voluntary act and deed and for the uses and purposes therein mentioned.

My Commission Expires: Oct. 16, 2008



Notary Public

Simone Farrell

Printed Name of Notary Public



RIDER TO THE DEED OF TRUST / MORTGAGE / SECURITY DEED


0053483673

Date: 5/4/2005

The escrow of taxes and insurance required in of your DEED OF TRUST/MORTGAGE/SECURITY DEED to **FIRST HORIZON CORPORATION D/B/A FIRST HORIZON HOME LOANS**, a **KANSAS** corporation is hereby waived and you are notified that you are not required to deposit with **FIRST HORIZON CORPORATION D/B/A FIRST HORIZON HOME LOANS**, a **KANSAS** corporation any of the amounts set forth in said paragraph. This waiver does not, in any way, release you from your obligation to make escrow payments of taxes and insurance to the holder of any prior mortgage, nor does it relieve you of your obligation to keep taxes and insurance premiums current with respect to the mortgaged property.

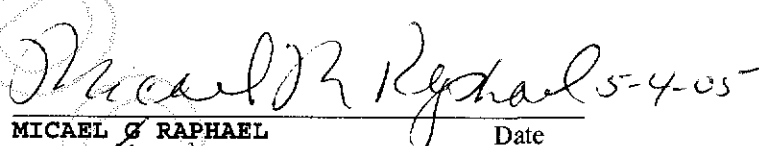
All payments will be applied first to the accrued interest and next to the unpaid principal of your loan. The exact amount of your final payment, finance charges, and total of payments will be somewhat more or less than the amounts shown if we do not receive each payment on the scheduled payment date.

RECEIPT ACKNOWLEDGED:



MARK G RAPHAEL Date

Date



MICHAEL G RAPHAEL Date
A 7.2

Date

HELOC RIDER
40109 (8/96)

FH6D444
(01/03)



200505240078

Skagit County Auditor

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SCHEDULE A

THE FOLLOWING DESCRIBED REAL ESTATE, SITUATED IN THE COUNTY OF SKAGIT, STATE OF WASHINGTON:

LOTS 11 AND 12, BLOCK 61, "MAP OF THE CITY OF ANACORTES, SKAGIT COUNTY, WASHINGTON", AS PER PLAT RECORDED IN VOLUME 2 OF PLATS, PAGE 4, RECORDS OF SKAGIT COUNTY, WASHINGTON.

SITUATE IN THE CITY OF ANACORTES, COUNTY OF SKAGIT, STATE OF WASHINGTON.

THE PROPERTY IS CONVEYED WITH ALL RIGHTS, PRIVILEGES AND APPURTENANCES AND SUBJECT TO ALL EASEMENTS, ENCROACHMENTS, RESTRICTIONS AND RESERVATIONS AS OF RECORD MAY APPEAR.

APN / PARCEL #: P55302



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