

**AFTER RECORDING MAIL TO:**

Charles F. Thomas  
36 Makah Way  
LaConner, WA 98257



200106080210  
Skagit County Auditor

6/8/2001 Page 1 of 3 4:04:33PM

Filed for Record at Request of  
Land Title Company of Skagit County

Escrow Number: P-97230-E

**DEED OF TRUST**

LAND TITLE COMPANY OF SKAGIT COUNTY

(For use in the state of Washington only)

Grantor(s): Charles D. Dralle

Grantee(s): Beneficiary - CHARLES F. THOMAS, as his separate estate, Trustee - Land Title Company of Skagit County

Abbreviated Legal: Ptn. S 1/2 of SE 1/4, 6-34-5 EWM, aka Ptn Trs. 1 & 2, SP 96-055

Additional legal(s) on page:

Assessor's Tax Parcel Number(s): 340506-4-003-0008/P30171; 340506-4-004-0007/P30172

THIS DEED OF TRUST, made this 6th day of June, 2001, between CHARLES D. DRALLE, an unmarried individual, as his separate property, GRANTOR, whose address is 24500 Old Day Creek Road, Sedro Woolley, WA 98284, Land Title Company of Skagit County, TRUSTEE, whose address is P.O. Box 445/111 E. George Hopper Road, Burlington, WA 98233, and CHARLES F. THOMAS, as his separate estate, BENEFICIARY, whose address is 36 Makah Way, LaConner, WA 98257, WITNESSETH: Grantor hereby bargains, sells, and conveys to Trustee in trust, with power of sale, the following described real property in Skagit County, Washington:

PARCEL "A":

Lot 1, Short Plat No. 96-055, approved January 10, 2000 and recorded January 11, 2000, under Skagit County Auditor's File No. 200001110050, and being a portion of the South 1/2 of the Southeast 1/4 of Section 6, Township 34 North, Range 5 East, W.M.

EXCEPT that portion described as follows:

Beginning at the Northwest corner of Lot 2 of said Short Plat No. 96-055; thence South 89 degrees 09'53" East, along the North line of said Lot 2, a distance of 505.36 feet to the TRUE POINT OF BEGINNING; thence continue South 89 degrees 09'53" East a distance of 251.01 feet; thence South 03 degrees 08'52" West a distance of 113.25 feet to the North line of said Lot 2; thence North 64 degrees 29'19" West, along said North line, a distance of 271.20 feet to the TRUE POINT OF BEGINNING.

Situate in the County of Skagit, State of Washington

PARCEL "B":

That portion of Lot 2, Short Plat No. 96-055, approved January 10, 2000 and recorded January 11, 2000, under Skagit County Auditor's File No. 200001110050, and being a portion of the South 1/2 of the Southeast 1/4 of Section 6, Township 34 North, Range 5 East, W.M., described as follows:

Beginning at the Southeast corner of said Lot 2, said point also being the Northeast corner of Lot 3 of said Short Plat No. 96-055; thence North 00 degrees 28'00" East, along the East line of said Lot 2, a distance of 217.89 feet to the Northeast corner of said Lot 2; thence North 64 degrees 29'19" West, along the North line of said Lot 2, a distance of 56.39 feet;

thence South 08 degrees 18'12" West a distance of 206.04 feet to the South line of said Lot 2;  
thence South 64 degrees 28'45" East, along said South line, a distance of 87.50 feet to the point of beginning.

Situate in the County of Skagit, State of Washington.

PARCEL "C":

A non-exclusive easement for ingress, egress and utilities over, under and across that certain strip of land 60-foot wide delineated as "Wayward Way" on the face of said Short Plat No. 96-055.

Situate in the County of Skagit, State of Washington.

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

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 TWO HUNDRED SEVEN THOUSAND AND NO/100 Dollars (\$ 207,000.00) 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; and (3) the surplus, if any, shall be distributed to the persons entitled thereto.



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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 encumbrances 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.

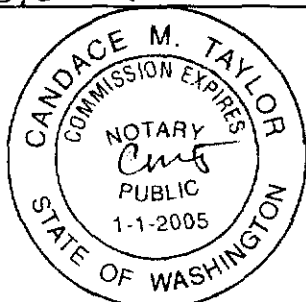
8. This Deed of Trust applies to, inures to the benefit of, and is binding not only on the parties hereto, but on their heirs, devisees, legatees, administrators, executors, and assigns. The term Beneficiary shall mean the holder and owner of the note secured hereby, whether or not named as Beneficiary herein.

Charles D. Dralle  
Charles D. Dralle

STATE OF WASHINGTON }  
County of SKAGIT } SS:

I certify that I know or have satisfactory evidence that CHARLES D. DRALLE  
is the person        who appeared before me, and said  
person        acknowledged that he signed this instrument and acknowledged it to be he free and  
voluntary act for the uses and purposes mentioned in the instrument.

Dated: JUNE 8, 2001



Candace M. Taylor  
Candace M. Taylor  
Notary Public in and for the State of WASHINGTON  
Residing at MOUNT VERNON  
My appointment expires: 1/01/2005

**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                     ,                     



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