



200405180018
Skagit County Auditor

5/18/2004 Page 1 of 5 9:01AM

Nancy L. Wright
924 Capitol Way South, Suite #220
Olympia, WA 98501

Documents Title(s):

DEED OF TRUST

Reference Number(s) of related documents:

Additional Reference #'s on page: _____

Grantor(s): (Last, First and Middle Initial)

NICHOLSON, KATHIE L.

Additional grantors on page: _____

Grantee(s): (Last, First and Middle Initial)

NICHOLSON, DOROTHY EILEEN

MANCINELLI, JO ANN

ZVOLANEK, LISA, Trustee

Additional grantees on page: _____

Legal Description: (abbreviated form: i.e. lot, block, plat or section, township, range, quarter/quarter)

PTN. BLKS 280 AND 281, CITY OF ANACORTES AND PTN. 18-32-2

Assessor's Property Tax Parcel/Account Number:

P 57067

Additional parcel #'s on page: _____

The Auditor/Recorder will rely on this information provided on this form. The staff will not read the document to verify the accuracy or completeness of the indexing information provided herein.

AFTER RECORDING, RETURN TO:

Nancy L. Wright
Attorney at Law
924 Capitol Way South
Olympia WA 98501

DEED OF TRUST

THIS DEED OF TRUST is made this 24th day of March, 2004, between Kathie L. Nicholson, Grantor, whose address is 1110 East 2nd Street, Port Angeles, Washington 98362, Lisa Zvolanek, Trustee, whose address is 2434 - 119th Court SW, Olympia, Washington 98512, and Dorothy Eileen Nicholson, whose address is 201 "V" Avenue, Anacortes, Washington 98221, and Jo Ann Mancinelli, whose address is 2400 Queen St, Bellingham, Washington 98226, Beneficiaries.

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" which is attached hereto

hereinafter referred to as "the Property," 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 way appertaining, and the rents, issues and profits thereof.

This Deed of Trust is for the purpose of securing performance of each agreement of Grantor herein contained, and payment of the sum of **Thirty Thousand Four Hundred Dollars** (\$30,400), 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. Payment of Principal and Interest. To promptly pay, when due, the principal and interest indebtedness evidenced by the Note.
2. Preservation and Maintenance of the Property. 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.
3. Payment of Taxes and Assessments. 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.
4. Hazard Insurance. To keep all buildings now or hereafter erected on the Property described



herein continuously insured against loss of fire or other hazards in an amount of 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. The policy may not be canceled without fifteen (15) days' notice to Beneficiary. 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.

5. Defense of Action. 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.

6. Attorney's Fees and Costs. 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.

7. Protection of Lender's Security. 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. Eminent Domain. 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 thereof as may be necessary to fully satisfy the obligation secured hereby, shall be paid to Beneficiary to be applied to said obligation.

2. No Waiver. By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive its right to require prompt payment when due on all other sums so secured or to declare default for failure to so pay.

3. Transfer of Property. If all or any portion of, or interest in the Property, is sold, conveyed, encumbered or transferred without Beneficiary's prior written consent, Beneficiary may declare all of the sums secured by this Deed of Trust to be immediately due and payable. At Beneficiary's sole option, after approving the creditworthiness of the proposed purchaser, Beneficiary may consent to a sale, conveyance, encumbrance or transfer of the Property. If Beneficiary consents to such a sale, conveyance, encumbrance or transfer, Grantor shall pay to Beneficiary, prior to the time such transfer is completed, a fee in cash in the sum of Two Hundred Fifty Dollars (\$250) and Beneficiary may increase the interest rate of the Note secured by this Deed of Trust. Any such action will be subject to the Deed of Trust and will not release Grantor from Grantor's liability on the Note thereon. This option shall be applicable to each subsequent sale, conveyance, transfer or encumbrance and failure to exercise this option on a sale, conveyance, transfer or encumbrance shall not render it void on subsequent sales, conveyances, transfers or encumbrances.

4. Default. 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



EXHIBIT "A"

ALL that part of Block 281 and the North Half of Block 280, "CITY OF ANACORTES", according to the plat recorded in Volume 2 of Plats, page 4, records of Skagit County, Washington; and all that part of the vacated alleys in said blocks and also that part of Second Street, vacated, lying between said blocks 280 and 281, together with that part of tide lands tract No. 10 of Plate No. 9, ANACORTES TIDE LANDS, in Section 18, Township 35 North, Range 2 East of the Willamette Meridian, which lies to the Westward of a line parallel to and 131.3 feet to the Eastward of the East line of Avenue "V", as shown on said "CITY OF ANACORTES" plat, said line beginning on the South line of the alley, as platted, in said Block 280 and extending Northward and parallel to said East line of Avenue "V" extended to the North boundary line of said tide lands tract No. 10 of Plate No. 9.

TOGETHER WITH all that part of Block 280 "CITY OF ANACORTES", according to the plat recorded in Volume 2 of Plats, page 4, records of Skagit County, Washington, described as follows:

Beginning at the intersection of the North line of Third Street with the East Line of "V" Avenue;
Thence North along the East line of "V7" Avenue to the South line of the alley through said Block 280;
Thence East along the South line of said alley 131.3 feet;
Thence South to the North line of Third Street;
Thence West along the North line of Third Street to the point of beginning.

Situated in Skagit County, Washington

- END OF EXHIBIT "A" -



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