



200410260134
Skagit County Auditor

Filed for Record at the Request of:
TRANSPORTATION NORTHWEST CREDIT UNION

PO Box 80847
Seattle WA 98108

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CHICAGO TITLE IC32764-SM /

DEED OF TRUST

ACCT #0000007808

This DEED OF TRUST is made this 19TH day of OCTOBER, 2004, between:

GRANTOR:

ERIC G. SHJARBACK AND SILJA K. SHJARBACK HUSBAND AND WIFE,
whose address is 2217 OREGON AVE., ANACORTES, WA 98221

GRANTEE:

TRANSPORTATION NORTHWEST CREDIT UNION, Beneficiary, at its above named address.
CHICAGO TITLE INS. CO., Trustee, whose address is 425 COMMERCIAL STREET, MOUNT VERNON, WA 98273

WHEREAS, Grantor has entered into an agreement with Beneficiary under which Beneficiary agrees to lend to the Grantor from time to time subject to repayment up to a total amount outstanding at any point in time of TEN THOUSAND DOLLARS AND NO CENTS (\$10,000.00)

Dollars which indebtedness is evidenced by Grantor's Secured Open End Credit Agreement dated OCTOBER 19, 2004 (herein 'Agreement') providing for monthly installments of principal and interest and other charges. The Agreement is incorporated herein by reference as though fully set forth.

TO SECURE to Beneficiary (a) the repayment of the indebtedness evidenced by the Agreement, with interest thereon, the payment of other sums, with interest thereon, advanced to protect the security of this Deed of Trust, and the performance of the covenants and agreements of Grantor herein contained, and (b) the repayment of such further sums as may be loaned or advanced by Beneficiary to Grantor, together with interest thereon at such rates as may be agreed upon. Grantor does hereby irrevocably grant, bargain, sell and convey to the Trustee in Trust, with power of sale, the following described property in SKAGIT County, State of Washington.

LEGAL DESCRIPTION:

Lt. 15 PLAT OF ROCK RIDGE WEST, according to the plat thereof, recorded under Auditor's File No. 200203250231, records of Skagit County, Washington.
PARCEL #:

4792-000-015-000

which real property is not used principally for agricultural or farming purposes, together with all tenements, hereditaments, and appurtenances now or hereafter thereunto belonging or in any wise appertaining, and the rents, issues and profits thereof; it being the express intent of Grantor and Beneficiary that this Deed of Trust and the estate held by Trustee hereunder shall continue in effect notwithstanding that from time to time no indebtedness of Grantor to Beneficiary under the Agreement may exist, and shall survive as security for all new or additional indebtedness of Grantor to Beneficiary under the Agreement from time to time ensuing.

VARIABLE INTEREST RATE/MONTHLY PAYMENTS: The interest rate on Grantor's indebtedness under the Agreement may vary from time to time in accordance with changes in the Variable Loan Rate, as described on the Agreement. Grantor's minimum monthly payment will vary from time to time based upon the outstanding balance of Grantor's indebtedness under the Agreement.

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, hazards included within the terms 'extended coverage' and such other hazards including floods and flooding, as Beneficiary may require in an aggregate amount not less than the total debt secured by this Deed of Trust and all other prior liens. All policies shall be in such companies as the Beneficiary may approve and have loss payable to the Beneficiary as its interest may appear and then to the Grantor. If Borrower fails to maintain coverage described above, Beneficiary may, at Beneficiary's option, obtain coverage to protect Beneficiary's rights in the property. 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. Grantor shall not, without Beneficiary's prior written consent, grant or allow any further encumbrances or lien, voluntary or involuntary, against the property.
7. To promptly and fully perform all of the obligations of the mortgagor or grantor or contract purchaser under the now existing mortgage or Deed of Trust or real estate contract on the property, and to save Beneficiary harmless from the consequences of any failure to do so.

Should Grantor fail to pay when due any taxes, assessments, insurance premiums, liens, encumbrances, or other charges against the property herein above described, or otherwise fail to keep and perform any of Grantor's covenants herein contained, the performance of which required the expenditure of money. Then, in any such event, the Beneficiary, at its election, may pay such sums as may be necessary to perform such obligations with respect to which the Grantor is in default, without prejudice to Beneficiary's right to accelerate the maturity of this Deed of Trust and to foreclose the same, and any and all amounts so paid shall be repaid by the Grantor to the Beneficiary upon demand, with interest thereon at the rate then applicable to Grantor's indebtedness under the Agreement from the date of such payment, and all such payments, with interest as above provided, shall, from the date of payment, be added to and become a part of the indebtedness secured by 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 of 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. By accepting payment of any sum secured hereby after its due date, Beneficiary does not wave 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 the Trustee's sale. Trustee shall apply the proceeds of the sale as follows: (1) to the expense of 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, less the clerk's filing fee, shall be deposited together with a copy of the recorded notice of sale with the clerk of the Superior Court of the county in which the sale took place.
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 purchasers and encumbrances of 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 or 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. If the Grantors, or any of them, transfer the property covered by this Deed of Trust, or any part thereof, or any interest therein, or shall be divested of their title to the property, or any interest therein, in any manner or way, whether voluntary or involuntary, all indebtedness evidenced by the note secured by this Deed of Trust shall immediately become due and payable at the option of the holder and without demand or notice.

9. 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, successors and assigns. The term Beneficiary shall mean the holder and owner of the Agreement or other evidence of indebtedness secured hereby, whether or not named as Beneficiary herein.

[Signature]

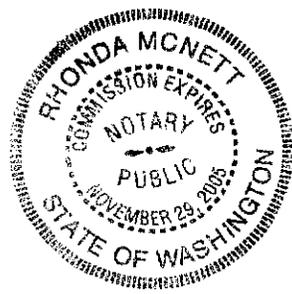
Silja K. Skjarback

STATE OF WASHINGTON

COUNTY OF Skagit ss.

On this date personally appeared before me Eric G. Skjarback + Silja K. Skjarback to me known to be the individual(s) described in and who executed the within foregoing instrument, and acknowledged that They signed the same as Their free and voluntary act in deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 19th day of October, 2004



Rhonda McNett

Notary Public in and for the State of Washington residing at Anacortes, Wa.

My commission expires 11/29/05



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REQUEST FOR FULL RECONVEYANCE

Do not record. To be used only when indebtedness has been paid and Agreement terminated.

TO: TRUSTEE

The undersigned is the legal owner and holder of the Agreement and all other indebtedness secured by the within Deed of Trust. Said Agreement 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 Agreement 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 convey, without warranty, to the parties designated by the terms of said Deed of Trust, all the estate now held by you thereunder.

Dated _____ 19 _____

Mail reconveyance to: _____

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