

AFTER RECORDING MAIL TO:

ANACORTES COMMUNITY SHELTER PROJECT
2017 Piper Circle
Anacortes, Washington 98221



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Skagit County Auditor

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M8644
FIRST AMERICAN TITLE CO.

DEED OF TRUST

ACCOMMODATION RECORDING ONLY

Grantor(s): Anacortes Community Shelter Project

Grantee(s): (1) HR and MK Clure LP
(2) First American Title Company

Abbreviated Legal: Hensler's 1st to Anacortes, Lots 8-12, Block 7

Assessor's Tax Parcel/Account Nos: 3794-007-010-0007 / P57352; 3794-007-012-0013 / P57354

THIS DEED OF TRUST, made this 22nd day of August, 2005, between ANACORTES COMMUNITY SHELTER PROJECT, a Washington non-profit corporation whose street address is 2017 Piper Circle, Anacortes, Washington 98221, GRANTOR(S); FIRST AMERICAN TITLE COMPANY OF SKAGIT COUNTY, whose street address is 1301-B Riverside Drive, Mount Vernon, Washington 98273, TRUSTEE; and HR and MK Clure LP, a Washington Limited Partnership whose street address is 2705 Clure Way, Anacortes, Washington 98221, BENEFICIARY.

WITNESSETH: Grantor(s) hereby bargain(s), sell(s), and convey(s) to Trustee in trust, with power of sale, the following described real property in Skagit County, Washington:

Parcel "A":

Lots 8, 9, and 10, Block 7, "PLAT OF HENSLER'S FIRST ADDITION TO THE CITY OF ANACORTES, SKAGIT CO., WASH.", as per plat recorded in Volume 3 of Plats, page 46, records of Skagit County, Washington.

Parcel "B":

Lots 11 and 12, Block 7, "PLAT OF HENSLER'S FIRST ADDITION TO THE CITY OF ANACORTES, SKAGIT CO., WASH.", as per plat recorded in Volume 3 of Plats, page 46, records of Skagit County, Washington.

TOGETHER WITH a perpetual right-of-way and easement for the purposes of a walkway and driveway in, through, along and across the following described property:

The East 14 feet of the South 148 feet of the following described tract: That portion of the Southeast 1/4 of the Southeast 1/4 of Section 24, Township 35 North, Range 1 East, W.M., described as follows:

Beginning at the Southwest corner of Block 6, "PLAT OF HENSLER'S FIRST ADDITION TO THE CITY OF ANACORTES, SKAGIT CO., WASH.", as per plat recorded in Volume 3 of Plats, page 46, records of Skagit County, Washington, which point is on the North line of 27th Street of said addition; thence South along the West line of said addition 188 feet to centerline of alley in Block 7 of said Hensler's Addition; thence West at right angles 248 feet, more or less, to the East line of a tract of land deed to Anna Allard by Deed recorded in Volume 101 of Deeds, page 587, records of Skagit County, Washington; thence North at right angles 188 feet to the North line of 27th Street, if extended; thence East to the point of beginning.

SUBJECT TO Possible Encroachments.

which real property is not used principally for agricultural purposes, together with all the tenements, hereditaments, and appurtenances now or hereafter belonging or in any way appertaining, and the rents, issues, and profits of the property.

This Deed of Trust is for the purpose of securing performance of each agreement of Grantor(s) contained in this Deed of Trust, and to provide security to Beneficiary in the event of Grantor(s)' default on that certain promissory note from Grantor(s) to Peoples Bank in the amount of \$249,950.00, dated August 10, 2005 (and all renewals, modifications, and extensions of the note, together with interest thereon at the rate agreed upon), for which Beneficiary has pledged certain other real property as security on behalf of Grantor(s).

To protect the security of this Deed of Trust, Grantor(s) covenant(s) and agree(s):

1. To keep the property in good condition and repair; to permit no waste of the property; to complete any building, structure, or improvement being built or about to be built on the property; to restore promptly any building, structure, or improvement on the property 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 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(s). The amount collected under any insurance policy may be applied upon any indebtedness secured by this Deed of Trust 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(s) 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 by this Deed of Trust and Trustee's and attorney's fees actually incurred, as provided by statute.
6. Should Grantor(s) fail to pay when due any taxes, assessments, insurance premiums, liens, encumbrances, or other charges against the property. Beneficiary may pay the same, and the amount so paid, with interest at the rate set forth in the note secured by this Deed of Trust, shall be added to and become a part of the debt secured in this Deed of Trust.

IT IS MUTUALLY AGREED THAT:

7. 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 by this Deed of Trust shall be paid to Beneficiary to be applied to said obligation.
8. By accepting payment of any sum secured by this Deed of Trust 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.
9. 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(s) and the Beneficiary, or upon satisfaction of the obligation secured and written request for reconveyance made by the Beneficiary or the person entitled thereto.
10. Upon default by Grantor(s) in the payment of any indebtedness secured by this Deed of Trust or in the performance of any agreement contained in this Deed of Trust, all sums secured by this Deed of Trust shall immediately become due and payable at the option of the Beneficiary, subject to any cure period provided in the note secured by this Deed of Trust. 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.
11. Trustee shall deliver to the purchaser at the sale its deed, without warranty, which shall convey to the purchaser all right, title and interest in the real and personal property which Grantor(s) had or had the power to convey at the time of the execution of this Deed of Trust, and such as Grantor(s) may have acquired thereafter. Trustee's deed shall recite the facts showing that the sale was conducted in compliance with all the requirements

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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.

12. 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.

13. In the event of the absence, death, incapacity, disability, or resignation of Trustee, or at the discretion of the Beneficiary, 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 an action or proceeding in which Grantor(s), Trustee, or Beneficiary shall be a party unless such action or proceeding is brought by the Trustee.

14. This Deed of Trust applies to, inures to the benefit of, and is binding not only on the parties hereto, but on his/her/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.

16. ADDITIONAL TERMS AND CONDITIONS: (check one)

a. NONE

OR

b. As set forth on the attached "Exhibit A" which is incorporated by this reference.
(Note: If neither a nor b is checked, then option "a" applies)

Dated: 8/22/05 Eric N Johnson

STATE OF WASHINGTON)
COUNTY OF SKAGIT)-ss

I certify that I know or have satisfactory evidence that ERIC N JOHNSON
(is/are) the person(s) who appeared before me, and said person(s) acknowledged that (he/she/they) signed this instrument, on oath stated that (he/she/they) (is/are) authorized to execute the instrument and acknowledged it as the PRESIDENT OF THE BOARD OF DIRECTORS of ANACORTES COMMUNITY SHELTER PROJECT to be the free and voluntary act of such party(ies) for the uses and purposes mentioned in this instrument.

GIVEN under my hand and official seal this 22 day of AUGUST, 2005.



Tamara A Satko
NOTARY PUBLIC in and for the State of Washington,
residing at ANACORTES
My appointment expires 11/7/07

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: _____

