



200606120003
Skagit County Auditor

6/12/2006 Page

1 of

4 9:21AM

When Recorded Return To:

James B. Bowers and Bernadeen K. Bowers
3063 Autumn Lane
Oak Harbor, WA 98277

6frena.01

LAND TITLE OF SKAGIT COUNTY

121224-SA

DEED OF TRUST

(For Use in the State of Washington Only)

Grantor: Nathan Adam French
Grantee (Beneficiary): James B. Bowers and Bernadeen K. Bowers
Legal Description (abbreviated): LOTS 9 AND 10, BLK. 15, FIRST SHIP HARBOR
Assessor's Property Tax Parcel or Account Number: 3816-015-010-0004 (P58997)
Reference Numbers of Document Released: None

This Deed of Trust, made this 7th day of June, 2006, between

Nathan Adam French, a single person, Grantor, whose address is P.O. Box 1044, Anacortes, WA 98221,

Luke, Casteel & Olsen, PSC, a Washington professional service corporation, Trustee, whose address is 3400 - 188th Street SW, Suite 484, Lynnwood, Washington, 98037-4708, (425) 744-0411, and

James B. Bowers and Bernadeen K. Bowers, husband and wife, Beneficiary, whose address is 3063 Autumn Lane, Oak Harbor, WA 98277

Witnesseth: Grantor hereby bargains, sells and conveys to Trustee in Trust, with power of sale, the following described real property in Skagit County, Washington:

LOTS 9 AND 10, BLOCK 15, "FIRST PLAT OF SHIP HARBOR", AS PER PLAT RECORDED IN VOLUME 1 OF PLATS, PAGE 13, RECORDS OF SKAGIT COUNTY, WASHINGTON.

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

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.

PAYMENT IN FULL. The note secured by this deed of trust shall be paid in full no later than July 1, 2009.

This deed is for the purpose of securing performance of each agreement of grantor herein contained, and payment of the sum of One Hundred Twenty Nine Thousand Dollars (\$129,000.00) 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. Repair; Waste; No Illegal Use. 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. Taxes; Assessments; Encumbrances. To pay before delinquent all lawful taxes, assessments, insurance premiums, liens, encumbrances or other charges against the property hereinabove described; to keep the property free and clear of all other charges, liens or encumbrances impairing the security of this Deed of Trust. To provide to the Beneficiary written proof of timely payment with 14 days of the due date of each required payment.
3. Insurance. To keep all improvements 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. Defense of Actions; Costs; Attorney Fees. 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, accountant's fees in a reasonable amount, 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. Costs of Enforcement. 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. Cure by Beneficiary. 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 and shall be due and payable at the same time as the next payment on the Note secured by this Deed of Trust.

IT IS MUTUALLY AGREED THAT:

7. Payments by Beneficiary. If the real property described herein is subject to an existing contract or contracts, mortgage, Deed of Trust or any other obligation, which the Beneficiary of this Deed of Trust is to pay, Beneficiary agrees to make such payments in accordance with the terms of any agreement between the Grantor and Beneficiary, and upon default, the Grantor shall have the right to make any payments necessary to remove the defect and any payments so made shall be applied to the payments next falling due the Beneficiary under the promissory note or other agreement secured by this Deed of Trust.
8. Hazards; Taking or Destruction of Property. 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.
9. 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 of all other sums so secured or to declare default for failure to so pay.
10. Reconveyance. 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.
11. Loss of Security. Any action or inaction of Grantor resulting in the loss of the security or lien priority of this Deed of Trust shall constitute default under this Deed of Trust, as well as default under any promissory note or other agreement secured by this Deed of Trust.
12. Default and Remedies. 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; (3) the surplus, if any, shall be distributed to the persons entitled thereto, or may be deposited (less the clerk's filing fee) with the Clerk of the Superior Court of the county in which the sale takes place.



13. Trustee's Deed. 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 encumbrancers for value.

14. Foreclosure as Mortgage. 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.

15. Receiver. If Beneficiary has instituted any proceedings to collect a delinquent payment or payments, or to enforce any covenant in this Deed of Trust, or has sent a Notice of Default initiating a non-judicial foreclosure of this Deed of Trust, or has filed a Summons and Complaint to judicially foreclose this Deed of Trust, and Grantor is receiving rental or other income from the property, Grantor agrees that the appointment of a receiver for the property is necessary to protect Beneficiary's interest.

16. Due on Sale. If all or any part of the property described herein or an interest therein is sold or transferred by Grantor, Beneficiary may, at Beneficiary's option, declare all the sums secured by this Deed of Trust to be immediately due and payable. If Beneficiary exercises such option to accelerate, Beneficiary shall mail Grantor notice of acceleration to Grantor by certified mail, return receipt requested. Such notice shall provide a period of not less than thirty (30) days from the date the notice is mailed within which Grantor may pay the sums declared due. If Grantor fails to pay such sums by the expiration of such period, Beneficiary may, without further notice or demand on Grantor, invoke any remedies permitted by law.

17. Successor Trustee. In the event of the absence, 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.

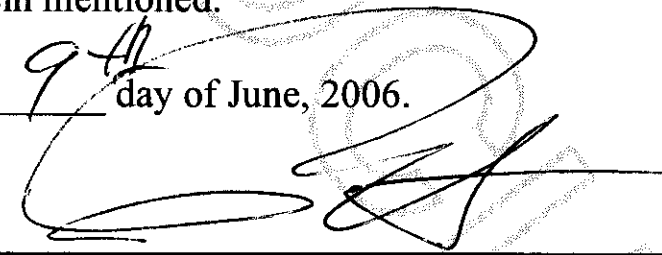
18. Benefit and Burden. This Deed of Trust applies to, inures to the benefit of, and is binding not only on the parties hereto, but on their heirs, devisees, legatees, administrators, executors, and assigns. The term Beneficiary shall mean the holder and owner of the note secured hereby, whether or not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


Nathan Adam French

STATE OF WASHINGTON)
 : ss
County of Snohomish)

On this day personally appeared before me Nathan Adam French to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 9th day of June, 2006.


NOTARY PUBLIC in and for the State of Washington,
residing at Lynnwood WA
My commission expires 6-1-2009

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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