



200607240129

Skagit County Auditor

7/24/2006 Page

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7 12:56PM

When Recorded Mail To:

First American Title
Loss Mitigation Title Services-LMTS
P.O. Box 27670
Santa Ana, CA 92799
Attn: Alejandro Velazquez

FAT Doc. No.: 3016083

County: SKAGIT

Document Title(s)

SUBORDINATE MORTGAGE

200505120126

Reference Number(s) of related documents:

NA

Additional Reference #'s on page 2

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

MATTHEWS, DALE J AND MATTHEWS, ANGELA L

National City mortgage

Additional Grantors on page 2

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

SECRETARY OF HOUSING AND URBAN DEVELOPMENT

Additional Grantees on page 2

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

NW 1/4 OF THE NE 1/4 OF SECTION 17, T35N, R6E, W.M.

Complete legal on page 7

Assessor's Property Tax Parcel/Account Number

35061701400201,P106745

Additional parcel #'s on page 2

THE AUDITOR/RECORDER WILL RELY ON THE INFORMATION PROVIDED ON THIS FORM. THE RESPONSIBILITY FOR THE ACCURACY OF THE INDEXING INFORMATION IS THAT OF THE DOCUMENT PREPARER.

*Prepared By: National City Mortgage Co.
DanaFigures/Risk Management
Building 2
3232 Newmark Drive
Miamisburg OH 45342*

*When Recorded Return To: MOD 1
First American Title Company PC
P.O. Box 27670
Santa Ana, CA 92799 3016083
Attn: Loss Mitigation Title Services*

SUBORDINATE MORTGAGE

THIS SUBORDINATE DEED OF TRUST ("Security Instrument") is made on April 18, 2006, the Grantor is Dale J Matthews and Angela L Matthews-a married couple, whose address is 31439 Prevedell Rd., Sedro Wooley, Washington 98284. The trustee is Land Title Co of Skagit County. The beneficiary is National City Mortgage a division of National City Bank of Indiana. This Security Instrument is given to the Secretary of Housing and Urban Development, and whose address is 451 Seventh Street, SW, Washington, DC 10410 ("Lender"). Borrower owes Lender the principal sum of Nine Thousand Five Hundred Fifty Two Dollars .72 Cents (U.S. \$ 9,552.72). This debt is evidenced by Borrower's note dated the same date as this Security Instrument ("Note"), which provides for the full debt, if not paid earlier, due and payable on June 1, 2035. This Security Instrument secures to Lender: (a) the repayment of the debt evidenced by the Note, and all renewals, extensions and modifications of the Note; (b) the payment of all other sums, with interest, advanced under Paragraph 7 to protect the security of this Security Instrument, and (c) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower does hereby mortgage, warrant, grant and convey to the Lender, with power of sale, the following described property located in Skagit County, Washington:

LEGAL DESCRIPTION

See Attached Exhibit "A"
Tax ID #: p106745

which has the address of 31439 Prevedell Rd Sedro Woolley Washington 98284; TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances, and fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property."



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BORROWER COVENANTS that Borrower is lawfully seized of the estate hereby conveyed and has the right to mortgage, grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances or record.

(SUBMORT.DOC)

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

Borrower and Lender covenant agree as follows:

UNIFORM COVENANTS.

1. Payment of Principal. Borrower shall pay when due the principal of the debt evidenced by the Note.

2. Borrower Not Released; Forbearance by Lender Not a Waiver. Extension of the time of payment of the sums secured by this Security Instrument granted by Lender to any successor in interest of Borrower shall not operate to release the liability of the original Borrower or Borrower's successor in interest. Lender shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or Borrower's successors in interest. Any forbearance by Lender in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

3. Successors and Assigns Bound; Joint and Several Liability; Co-signers. The covenants and agreements of this Security Instrument shall bind and benefit the successors and assigns of Lender and Borrower. Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this Security Instrument but does not execute the Note: (a) is co-signing this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower may agree to extend, modify, forbear or make any accommodations with regard to the term of this Security Instrument or the Note without that Borrower's consent.

4. Notices. Any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Property Address or any other address Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to Department of Housing and Urban Development, Attention: Single Family Notes Branch, 451 Seventh Street, SW, Washington, DC 10410 or any address Lender designates by notice to Borrower. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given as provided in this paragraph.

5. Governing Law; Severability. This Security Instrument shall be governed by Federal law and the law of the jurisdiction in which the Property is located. In the event that any provision or clause of this Security Instrument or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision. To this end the provisions of this Security Instrument and the Note are declared to be severable.



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6. **Borrower's Copy.** Borrower shall be given one conformed copy of the Note and of this Security Instrument.

7. **Grounds for Acceleration of Debt.**

(a) **Default.** Lender may, except as limited by regulations issued by the Secretary, in the case of payment defaults, require immediate payment in full of all sums secured by this Security Instrument if:

(i) Borrower defaults by failing to pay in full any monthly payment required by this Security Instrument prior to or on the due date of the next monthly payment, or

(ii) Borrower defaults by failing, for a period of thirty days, to perform any other obligations contained in this Security Instrument.

(b) **Sale Without Credit Approval.** Lender shall, if permitted by applicable law including Section 341(d) of the Garn-St. Germain Depository Institutions Act of 1982, 12 U.S.C. 1701j-3(d) and with the prior approval of the Secretary, require immediate payment in full of all sums secured by this Security Instrument if:

(i) All or part of the Property, or a beneficial interest in a trust owning all or part of the Property, is sold or otherwise transferred (other than by devise or descent), and

(ii) The Property is not occupied by the purchaser or grantee as his or her principal residence, or the purchaser or grantee does so occupy the Property but his or her credit has not been approved in accordance with the requirements of the Secretary.

(c) **No Waiver.** If circumstances occur that would permit Lender to require immediate payment in full, but Lender does not require such payment, Lender does not waive its rights with respect to subsequent events.

(d) **Regulations of HUD Secretary.** In many circumstances regulations issued by the Secretary will limit Lender's rights, in the case of payment defaults, to require immediate payment in full and foreclose if not paid. This Security Instrument does not authorize acceleration or foreclosure if not permitted by regulations of the Secretary.



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NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

8. Foreclosure Procedure. If Lender requires immediate payment in full of all sums under paragraph 7, Lender may invoke the power of sale and any other remedies permitted by remedies permitted by applicable law. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 8, including, but not limited to, reasonable attorneys' fees and costs of title evidence .

If Lender or Borrower invokes the power of sale, and the Property is judicially ordered to be sold pursuant to such power, Lender shall mail a cop of a notice of sale by registered mail to Borrower at the Property Address or at any other address Borrower delivers to Lender in writing for that purpose. Lender shall publish the notice of sale for the time and in the manner required b applicable law and, without further demand on Borrower, the property shall be sold at the time and under the terms designated by the court and in the notice of sale. Lender or its designee may purchase the Property at any sale. The proceeds of the sale shall be applied in the following order: (a) to all expenses of the sale, including, but not limited to, reasonable attorneys' fees (b) to all sums secured by this Security Instrument; and (c) any excess to the person or persons legally entitled to it.

If the Lender's interest in the Security Instrument is held by the Secretary and the Secretary requires immediate payment in full under Paragraph 7 , the Secretary may invoke the nonjudicial power of sale provided in the Single Family Mortgage Foreclosure Act of 1994 ("Act") (12 U.S.C. 3751 *et seq.*) by requesting a foreclosure commissioner designated under the Act to commence foreclosure and to sell the Property as provided in the Act. Nothing in the preceding sentence shall deprive the Secretary of any rights otherwise available to a Lender under this Paragraph 8 or applicable law.

9. Release. Upon payment of all sums secured by this Security Instrument, this Security Instrument shall become null and void. Lender shall discharge this Security Instrument without charge to Borrower. Borrower shall pay any recordation costs.


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BY SIGNING BELOW, Borrower accepts and agrees to the terms contained in this Security Instrument and in any rider(s) executed by Borrower and recorded with it.

Witnesses:

Ruth Valley
Witness Signature

Ruth Valley
Witness Printed name:

Dale J Matthews 6-26-06 (SEAL)
Dale J Matthews Date

Narda A Overby
Witness Signature

Narda A. Overby
Witness Printed name:

Angela L Matthews (SEAL)
Angela L Matthews Date
June 26, 2006

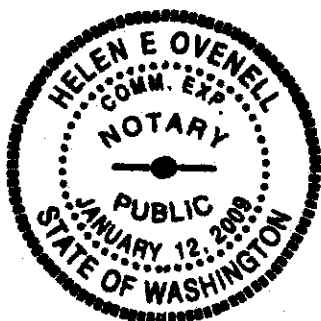
STATE OF WASHINGTON

County of: Skagit

On this 26 day June, 2006, personally appeared before to me known to be the individual Dale J Matthews and Angela L Matthews described in and who executed the within and foregoing instrument, and acknowledged they Dale J Matthews and Angela L Matthews signed the same as his/her/their their free and voluntary act and deed, for the uses and purpose therein mentioned.

Given under my hand and official seal this 26 day of June, 2006.

Witness my hand and seal, the day and year aforesaid.



Helen E. Overnell

Notary Public in and for the State of Washington, residing

at: Sawtooth Valley
Notary printed name: Helen E. Overnell

My Appointment Expires on: 11/2/09



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EXHIBIT "A"

LEGAL DESCRIPTION

PARCEL "A":

Portion of the Northwest $\frac{1}{4}$ of the Northeast $\frac{1}{4}$ of Section 17, Township 35 North, Range 6 East, W.M., described as follows:

Beginning at a point on the West line of said subdivision 873 feet North of the Southwest corner thereof; thence East 120 feet; thence North to the South line of the Puget Sound and Baker River Railway right-of-way; thence Westerly along South line of said right-of-way to the West line of said subdivision; thence South to the point of beginning;

EXCEPT the South 97 feet thereof;

Situate in the County of Skagit, State of Washington.

PARCEL "B":

All that portion of the abandoned Puget Sound and Baker River Railroad lying North of and adjacent to the following described tract:

Beginning at a point 873 feet North of the Southwest corner of the Northwest $\frac{1}{4}$ of the Northeast $\frac{1}{4}$ of Section 17, Township 35 North, Range 6 East, W.M.; thence East 120 feet; thence North to the Puget Sound and Baker River Railway; thence West to a point North of the point of beginning; thence South to the point of beginning;

Situate in the County of Skagit, State of Washington.

PARCEL "C":

Beginning at the Northwest corner of the Northeast $\frac{1}{4}$ of Section 17, Township 35 North, Range 6 East, W.M.; thence South $02^{\circ}03'18''$ West along the West line of said Northeast $\frac{1}{4}$, a distance of 293.65 feet to the North right of way line of the Puget Sound and Baker River Railway conveyed by instrument recorded May 16, 1907, in Volume 62 of Deeds, page 369, records of Skagit County, Washington, as shown on survey file in Volume 20 of Surveys, at page 73 under Auditor's File No. 9802270078, records of Skagit County, Washington, and the point of beginning of this description; thence North $56^{\circ}26'13''$ East, a distance of 43.95 feet; thence North $76^{\circ}17'16''$ East, a distance of 29.35 feet; thence North $88^{\circ}25'28''$ East, a distance of 59.87 feet; thence South $05^{\circ}52'33''$ East, a distance of 15.35 feet to the North line of said Puget Sound and Baker River Railway;

thence Westerly along the North line of said railway, a distance of 127.32 feet to the point of beginning of this description.

Situate in the County of Skagit, State of Washington. *Am on*

TAX ID#, 35061701400201, p106745



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