



200210250189

Skagit County Auditor

10/25/2002 Page 1 of 4 3:35PM

WHEN RECORDED RETURN TO
CLS Financial Services, LLC.
PO Box 719
Lynnwood, WA 98046

ISLAND TITLE CO.

C24244

Deed of Trust

(for Use in the State of Washington Only)

Grantor/Borrower: Bowman, Erik L. and Dulcie A. Bowman

Grantee/Assignee/Beneficiary: CLS Financial Services, LLC., a Washington limited liability company

Abbreviated Legal Description: ~~PTN NW SW, Sec. 3, T34N, R2EWM~~ + E/2 W/2, SW NW, SW SEC. 3, T34N, R2EWM.
SW NW

Additional legal(s) located on page 4.
Assessor's Tax Parcel ID#: 340203-3-011-0006 P19742 and 340203-3-014-0003 P19745

THIS DEED OF TRUST, made this 15th day of October, 2002, between **Erik L. Bowman and Dulcie A. Bowman**, husband and wife, GRANTOR, whose address is 3933 West 12th, Anacortes, WA 98221, and **Island Title Company, TRUSTEE**, whose address is 3110 Commercial Ave., Suite 101, Anacortes, WA 98221, and **CLS Financial Services, LLC**, a Washington limited liability company, Beneficiary, whose address is PO BOX 719, LYNNWOOD, WA 98046.

WITNESSETH: Grantor hereby bargains, sells and conveys to Trustee in Trust, with power of sale, the following described real property in Skagit County, State of Washington, described in Exhibit A, attached hereto, 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.

This deed is for the purpose of securing performance of each agreement of grantor herein contained, and payment of the sum of **Forty Thousand and 00/100 Dollars (\$40,000.00)** 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 assign, together with interest thereon at such rate as shall be agreed upon.

The note secured by this Deed of Trust shall be paid in full no later than November 1, 2005.

Grantor shall pay real estate taxes and hazard insurance, as due, and will provide Beneficiary evidence of those payments.

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 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

[Handwritten signatures]

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 of powers of Beneficiary or Trustee, and to pay all cost 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. 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. 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.

2. 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.

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 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.

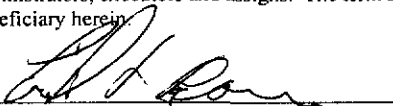
5. Trustee shall deliver to the purchaser at the sale its deed, without warranty, which shall convey to the purchaser the interest in the property which Grantor had or had the power to convey at the time of his execution of this Deed of Trust, and such as he may have acquired thereafter. Trustee's deed 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 purchaser and encumbrances for 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, 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. Grantor covenants and agrees not to sell, transfer or otherwise convey the Property or any interest therein, create or suffer to exist any assignment, mortgage, security interest, lien, charge or other encumbrance upon the Property or any interest therein, lease or permit anyone to occupy the Property, or agree to do any of the foregoing, without first repaying in full the Note and all other sums secured hereby. Should the Property or any interest therein be sold, transferred, or further encumbered, whether voluntarily or involuntarily, the Note and all other indebtedness secured hereby shall become immediately due and payable in full, without notice or demand from Beneficiary, and bear interest at the Default rate specified in the Note from the date of the sale, transfer, or encumbrance until repaid in full.

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 and assigns. The term Beneficiary shall mean the holder and owner of the note secured hereby, whether or not named as Beneficiary herein.



Erik L. Bowman



Dulcie A. Bowman

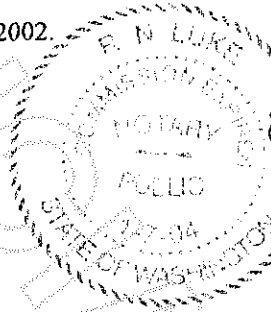


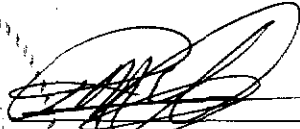
200210250189
Skagit County Auditor

STATE OF WASHINGTON)
)ss.
County of Snohomish)

I hereby certify that I know or have satisfactory evidence that **Erik L. Bowman and Dulcie A. Bowman** are the persons who appeared before me, and said persons acknowledged that they signed this instrument and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in this instrument.

Dated this 24th day of October, 2002.




Name: R. N. LUKE
Notary Public in and for the State of Washington,
residing at: Kenmore WA
My commission expires: 1-7-2004

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 _____, 20____



200210250189
Skagit County Auditor

Exhibit A

(Legal Description)

PARCEL A:

THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 3, TOWNSHIP 34 NORTH, RANGE 2 EAST OF THE WILLAMETTE MERIDIAN;

EXCEPT THE SOUTH 330 FEET OF THE EAST 330 FEET THEREOF;

AND EXCEPT THAT PORTION THEREOF LYING WITHIN THE STEVENSON COUNTY ROAD.

PARCEL B:

THE EAST HALF OF THE WEST HALF OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 3, TOWNSHIP 34 NORTH, RANGE 2 EAST OF THE WILLAMETTE MERIDIAN;

EXCEPT ANY PORTION THEREOF LYING WITHIN THE COUNTY ROAD.

ALL SITUATED IN SKAGIT COUNTY, WASHINGTON

Tax Account Number: 340203-3-011-0006 P19742 and 340203-3-014-0003 P19745

Commonly Known As: 9011 Stevenson Road and 2.42 Acres Stevenson Road, Anacortes



200210250189

Skagit County Auditor

Page 4 of 4