

After Recording, Mail To:

First American Title Insurance Company  
of Skagit County  
1301 B Riverside Drive  
P.O. Box 1667  
Mount Vernon, WA 98273

200702150071  
Skagit County Auditor  
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**ADJUSTABLE RATE  
DEED OF TRUST**  
(For use in the State of Washington Only)

This Deed of Trust, made this 09<sup>th</sup> day of February, 2007, between:

**FIRST AMERICAN TITLE CO.**

**Northwest Property Associates, Inc.**, GRANTOR, whose address is:  
227 Bellevue Way NE #585, Bellevue, WA 98004-5721

90529-1

**Raymond A. and Phyllis C. Nelson**, BENEFICIARY, whose address is 10314 136<sup>th</sup> Avenue NE, Kirkland WA 98033

**First American Title Insurance Company of Skagit County**, TRUSTEE, who address is: 1301 B Riverside Drive, PO Box 1667, Mount Vernon, WA 98273

**WITNESSETH:**

GRANTOR hereby bargains, sells, and conveys to TRUSTEE, the following real property in Skagit County, Washington, described legally as:

**Lot 12, Except the East 20 thereof and all of Lots 13 and 14, Block 3  
"CROFOOT'S FIRST ADDITION TO THE TOWN OF CONCRETE",  
as per plat recorded in Volume 3 of Plats, Page 88, records of Skagit  
County, Washington.**

Tax ID Number: **4058-003-014-0001 (P70764)**

Commonly Known As: **7757 South Dillard Avenue, Concrete, WA 98237**

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 the agreement of Grantor herein contained, and payment of the sum of **(\$75,000.00) Seventy Five Thousand Dollars and 00/100** with interest, in accordance with the terms of a promissory note of even date herewith, payable to Beneficiary of 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 stated in the promissory note.

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 other charges, liens or encumbrances impairing the security of this Deed of Trust.

Initials

*[Signature]*

Initials

*[Signature]*

Initials

*[Signature]*

3. To keep all buildings now or hereafter erected on the property described herein continuously insured against loss by fire or other hazards in 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. To defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee, and to pay an costs and expenses, including costs 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 any associated attorney's fees incurred, as provided by statute.

6. Should Granter fail to pay when due any taxes, assessments, insurance premiums, liens, encumbrances or other charges against the property hereinabove described, Beneficiary may, at the Beneficiary's option, pay the same, upon notice to the Borrower, and the amount so paid, with interest at the rate set forth in the note secured hereby shall be added to and become 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 of it as may be necessary to fully satisfy the obligation secured hereby, shall be paid to the Beneficiary and applied to said obligation, once superior liens have been satisfied.

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 with 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 any obligations secured by Deed of Trust superior to this Deed of Trust; (3) to the obligation secured by this Deed of Trust; and (4) 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 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. Adjustable Rate Feature. The Note provides for an established initial rate. The Note also provides for changes in the interest rate and associated "Interest Only" monthly payments pursuant to section 2 of the Note. Grantor shall pay interest for the first payment at the initial rate. Every month thereafter the monthly payment is subject to change as dictated by and fully described within Section 2 of the Note.

8. 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.

9. This Deed of Trust applies to and 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 named as Beneficiary herein.

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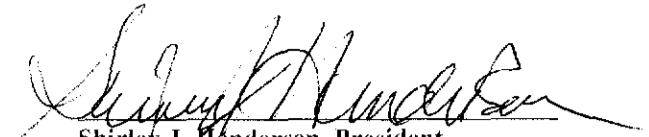
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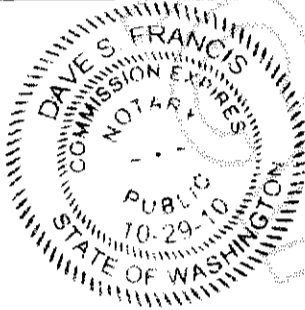
Skagit County Auditor


  
Shirley J. Henderson, President  
Northwest Property Associates, Inc.

STATE OF WA  
COUNTY OF King -ss



I certify that I know or have satisfactory evidence that Shirley J. Henderson, President and Secretary of and signing on behalf of Northwest Property Associates, Inc., a Nevada Corporation, are/is the person(s) who appeared before me, and said person(s) acknowledged that (he/she/they) signed this instrument and acknowledged it to be (his/her/their) free and voluntary act for the uses and purposes mentioned in this instrument.

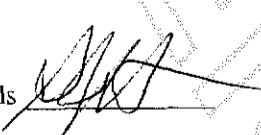
Dated: Feb 14th 2007



  
Notary Public in and for the state of WA  
My appointment expires: 10-29-2010

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Skagit County Auditor

**REQUEST FOR FULL RECONVEYANCE**

(DO NOT RECORD. TO BE USED ONLY WHEN NOTE HAS BEEN PAID IN FULL)

TO: TRUSTEE

The undersigned is the legal owner and holder of the note and all other indebtedness secured by 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 here by requested and directed, on payment to you of any sums owing to you under the terms of the said Deed of Trust, to cancel said note above mentioned, and all other evidences of indebtedness by said Deed of Trust delivered to you with said Deed of Trust, and to reconvey, without warranty, to the parties designated by the terms of said Deed of Trust, all the estate not held by you thereunder.

**Signatures:**

\_\_\_\_\_  
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**Dated:**

\_\_\_\_\_



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