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SKAGIT COUNTY  
KATHLEEN L. ...

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**WASHINGTON STATE  
COUNTY AUDITOR/RECORDER'S  
INDEXING FORM**

Return Address: **LAW OFFICE OF BRIAN E. CLARK**  
**P. O. Box 336**  
**Mount Vernon, WA 98273**

**Q-83950E**  
LAND TITLE COMPANY OF SKAGIT COUNTY

Document Title(s): (or transactions contained therein)

1. Deed of Trust
2. \_\_\_\_\_
3. \_\_\_\_\_

Grantor(s): (Last name first, then first name and initials)

1. HOLT, Dean
2. PEDERSEN, Gunnar
3. \_\_\_\_\_
4. \_\_\_\_\_
5. ☐ Additional names on page \_\_\_\_\_ of document.

**BENEFICIARY**

Grantee(s): (Last name first, then first name and initials)

1. LUTHERAN CHURCH-MISSOURI SYNOD FOUNDATION, Trustee
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. ☐ Additional names on page \_\_\_\_\_ of document.

TRUSTEE: LAND TITLE COMPANY OF SKAGIT COUNTY

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

NWSE 29-34-4

☐ Additional legal description is on page 5 of document.

Assessor's Property Tax Parcel or Account Number: 3410429-4-006-0009

Reference Number(s) of Documents assigned or released:

☐ Additional references on page \_\_\_\_\_ of document.

9803200108

BK1784PG0327

## DEED OF TRUST

THIS DEED OF TRUST, made this 20th day of March, 1998, between **DEAN HOLT**, a married man as his separate property, whose address is: 200 Bulson Rd., Mount Vernon, WA 98274, and **GUNNAR PEDERSEN**, a married man as his separate property, whose address is: 1212 A. Dike Rd., Mount Vernon, WA 98273, as Grantors; **LAND TITLE COMPANY OF SKAGIT COUNTY**, as Trustee, whose address is: 601 South 2nd Street, P. O. Drawer 1225, Mount Vernon, WA 98273; and **LUTHERAN CHURCH-MISSOURI SYNOD FOUNDATION**, as Trustee of the Charles K. and Regina M. Ash Charitable Remainder Unitrust Agreement established by the agreement dated July 9, 1997, as Beneficiary.

WITNESSETH: Grantors hereby bargain, sell and convey to Trustee in Trust, with power of sale, the following described real property in Skagit County, Washington:

That certain tract of land listed and described on Exhibit "A" attached hereto and incorporated herein by this reference as if fully set forth herein.

SUBJECT TO: Easement, covenants, and restrictions of record.

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 of Trust is for the purpose of securing performance of each agreement of Grantors herein contained and payment of the sum of **ONE HUNDRED THOUSAND DOLLARS (\$100,000)**, with interest, in accordance with the terms of a Promissory Note of even date herewith payable to Beneficiary or order and made by Grantors, and all renewals, modifications and extensions thereof, and also such further sums as may be advanced or loaned by Beneficiary to Grantors 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, Grantors covenant and agree:

1. To keep the property in good condition and repair; to permit no waste thereof; to complete any building, structure or improvements 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 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 hazards in an amount not less than the replacement value. 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 Grantors. 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 Grantors 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 attorneys' 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 attorneys' fees actually incurred, as provided by statute.

6. Should Grantors 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 portions 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. If Grantors are not under default under the terms of the Note secured hereby or this Deed of Trust, Grantors shall be entitled to partial reconveyance of lots encumbered by this Deed of Trust based upon a release price equal to the greater of (i) ten percent (10%) of the then principal balance outstanding on the Note or (ii) Ten Thousand Dollars (\$10,000) for each platted lot. All such payments shall be in addition to any prior reductions in the balance of the principal owed on said Note. In addition, requests for reconveyances of parcels on which the Beneficiary holds a first Deed of Trust lien shall be subject to the following additional terms and conditions:

(a) Beneficiary and Grantors shall establish an escrow with Land Title Company of Skagit County ("Land Title") wherein the Beneficiary shall deposit with Land Title signed Partial Reconveyances for each of the described 15 lots. Beneficiary authorizes Land Title to deliver and record the Partial Reconveyances for each lot in accordance with the agreement of the parties for the partial reconveyances. The cost of establishing and maintaining the escrow for this purpose shall be the sole responsibility of the Grantors and the Grantors agree to indemnify and hold the Beneficiary harmless therefrom;

(b) Each request of the Grantors for partial reconveyance and escrow shall be in writing accurately describing the lot of real property to be reconveyed, and Land Title shall provide Beneficiary with ten (10) days written notice of each request of the Grantors' for partial reconveyance to confirm that Grantors are not otherwise in default;

(c) The Grantors shall not be entitled to receive any partial reconveyance while any default exists under the Promissory Note secured hereby and/or this Deed of Trust; and

(d) The Grantors shall be responsible for the payment of all Trustee's fees and recording fees in connection with any reconveyance of the property.

Upon payment of all sums secured by this Deed of Trust, the Beneficiary shall request Trustee to reconvey the property to the Grantors, or the person(s) entitled thereto, and shall surrender to the Trustee this Deed of Trust and the Promissory Note evidencing the indebtedness secured hereby. The Grantors shall pay Trustee's reasonable fees and costs incurred in so reconveying the property.

4. Upon default by Grantors 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 attorneys' fees; (2) to the obligation secured by this Deed of Trust; and, (3) the surplus, if any, shall be distributed to the persons entitled thereto.

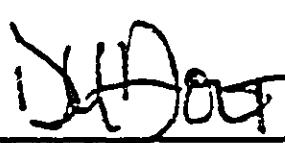
5. Trustee shall deliver to the purchaser at the sale its deed, without warranty, which shall convey to the purchaser the interest in the property which Grantors had or had the power to convey at the time of execution of this Deed of Trust, and such as he/they may have acquired thereafter. Trustee's deeds 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 bonafide 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 Grantors, Trustee or Beneficiary shall be a party unless such action or proceeding is brought by the Trustee.

8. 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.

9. In the event of default by the Grantors in the payment of any indebtedness secured hereby or the performance of any other agreement, obligation or condition in this Deed of Trust, the Beneficiary shall be entitled to collect and retain the rents, issues and profits from said property, or any part thereof, either with or without taking possession.

  
\_\_\_\_\_  
DEAN HOLT, a married man as his separate property

  
\_\_\_\_\_  
GUNNAR PEDERSEN, a married man as his separate property

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF SKAGIT )

I certify that I know or have satisfactory evidence that **DEAN HOLT** is the person who appeared before me and said person acknowledged that he signed this instrument and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in the instrument.

DATED: March 20, 1998.

Candace M. Taylor  
Notary Public  
Candace M. Taylor  
(Type or Print Name of Notary)  
My commission expires: 01/01/01

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF SKAGIT )

I certify that I know or have satisfactory evidence that **GUNNAR PEDERSEN** is the person who appeared before me and said person acknowledged that he signed this instrument and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in the instrument.

DATED: March 20, 1998.

Candace M. Taylor  
Notary Public  
Candace M. Taylor  
(Type or Print Name of Notary)  
My commission expires: 01/01/01

### Exhibit A

The East 198 feet of the West 396 feet of the Northwest 1/4 of the Southeast 1/4 of Section 29, Township 34 North, Range 4 East, W.M., EXCEPT the North 30 feet of County road, AND EXCEPT a tract described as follows:

Beginning at a point on the East and West centerline of said Section 29, 198 feet East of the center of said Section;  
thence East 60 feet;  
thence South 660 feet;  
thence West 60 feet;  
thence North 660 feet to the point of beginning.

Situate in the County of Skagit, State of Washington.