



201403120006

Skagit County Auditor

\$77.00

3/12/2014 Page

1 of

5 10:00AM

When recorded return to:
Jeffery S. Pitman and Heather L. Pitman
PO Box 445
Burlington, WA 98233

DEED OF TRUST

Grantors:	ERIC J. SHELBY and JULIE L. SHELBY
Grantees:	JEFFERY S. PITMAN and HEATHER L. PITMAN
Abbreviated Legal:	Lot 2, SP PL-07-0252; Ptn NW ¼ of NW ¼, 12-35-7 E W.M.
Additional Legal on page(s):	1
Assessor's Tax Parcel No.:	P127579

THIS DEED OF TRUST, made this 31st day of March, 2014, between Eric J. Shelby and Julie L. Shelby, husband and wife, as Grantors, whose address is PO Box 211, Lyman, WA 98263; Jeffery S. Pitman and Heather L. Pitman, husband and wife, as Beneficiaries, whose address is 41161 Challenger Road, Concrete, WA 98237; and Land Title Company of Skagit County as Trustee, whose address is PO Box 445, Burlington, WA 98233.

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

LOT 2, SHORT PLAT NO. PL-07-0252, APPROVED MAY 13, 2008, RECORDED MAY 19, 2008, UNDER AUDITOR'S FILE NO 200805190164; BEING A PORTION OF THE NORTHWEST ¼ OF THE NORTHWEST ¼, SECTION 12, TOWNSHIP 35 NORTH, RANGE 7 EAST, W.M.

SITUATE IN THE COUNTY OF SKAGIT, STATE OF WASHINGTON


SUBJECT TO: all covenants, conditions, restrictions, reservations, agreements and easements of record.

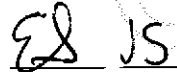
which real property is not used principally for agricultural or farming purposes, together with all the tenements, hereditaments, and appurtenances now or hereafter thereunto belonging or in any wise appertaining, and the rents, issues and profits thereof.

This Deed of Trust is for the purpose of securing performance of each agreement of grantors herein contained, and payment of the sum of Forty Three Thousand Dollars (\$43,000.00) with interest, in accordance with the terms of a Promissory Note dated March 31, 2014, payable to Jeffery S. Pitman and Heather L. Pitman, Beneficiaries 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 beneficiaries 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 total amount secured by this Deed of Trust. All policies shall be held by the beneficiaries and be in such companies as the beneficiaries may approve and have loss payable first to the beneficiaries, 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 beneficiaries shall determine. Such application by the beneficiaries 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 purchasers at the foreclosure sale.
- 4) To defend any action or proceeding purporting to affect the security hereof or the rights or powers of beneficiaries or trustee, and to pay all costs 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 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.
- 7) DUE ON SALE: (Not applicable unless initialed by both Grantors and Beneficiaries). The property described in this security instrument may not be sold or transferred without the Beneficiaries' consent. Upon breach of this provision, Beneficiaries may declare all sums due under the note and Deed of Trust immediately due and payable, unless prohibited by applicable law.

 (Grantors' Initials)

 (Beneficiaries' Initials)

IT IS MUTUALLY AGREED THAT:

- 8) 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.
- 9) By accepting payment of any sum secured hereby after its due date, beneficiaries do 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.



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- 10) 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 grantors and the beneficiaries, or upon satisfaction of the obligation secured and written request for reconveyance made by the beneficiaries or the person entitled thereto.
- 11) 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 beneficiaries. In such event and upon written request of beneficiaries, 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 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.
- 12) Trustee shall deliver to the purchasers at the sale its deed, without warranty, which shall convey to the purchasers the interest in the property which grantors had or had the power to convey at the time of its execution of this Deed of Trust, and such as it 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 bona fide purchaser and encumbrances for value.
- 13) 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.
- 14) In the event of the death, incapacity, disability or resignation of trustee, beneficiaries 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 beneficiaries shall be a party unless such action or proceeding is brought by the trustee.
- 15) 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 beneficiaries shall mean the holders and owners of the note secured hereby, whether or not named as beneficiaries herein.
- 16) The Grantors hereby absolutely, unconditionally and immediately convey, transfer, and assign unto Beneficiaries, their successors and assigns, all the rights, interest, and privileges which Grantors, as Lessors, have and may have in the rentals or leases of the Property (including all rental arrangements including month to month tenancies or lease agreements, written or oral, all of which will be hereafter referred to as the "Leases") and including all proceeds payable under any policy of insurance covering loss of rents resulting from untenability caused by destruction or damage to the premises, now existing or hereafter made and affecting the Property. 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 beneficiaries 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.
- 17) Beneficiaries hereby grants to Grantors a license to collect, so long as no default occurs under the terms of said Note and Deed of Trust, said deposits, rents, income, and profits from the aforementioned leases



and to retain, use, and enjoy the same; provided, however, that even before default occurs no rent shall be collected or accepted more than two (2) months in advance without the prior written consent of the Beneficiaries. Anything to the contrary notwithstanding, Grantors hereby assigns to Beneficiaries any award made hereafter to it in any court procedure involving any of the lessees in any bankruptcy, insolvency, or reorganization proceedings in any state or federal court; and any and all payments made by lessees in lieu of rent. Grantors hereby appoints Beneficiaries as its irrevocable attorney in fact to appear in any action and/or to collect any such award or payment; provided, that so long as no default occurs under the terms of the Note and Deed of Trust, Grantors may collect and retain such award or payment the same as rent.

TRANSFER OF PROPERTY; ASSUMPTION:

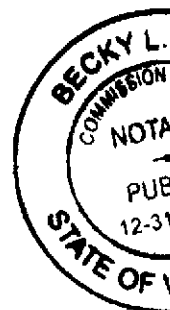
- 1) Beneficiaries may declare all sums secured by this Deed of Trust to be immediately due and payable if all or any part of the property or any interest therein is sold or transferred by grantors without beneficiaries' prior written consent.
- 2) Beneficiaries shall waive the option to accelerate if, prior to sale or transfer, the beneficiaries and the person to whom the property is to be sold or transferred reach an agreement, in writing, that the credit of such person is satisfactory to beneficiary and the interest payable on the sum secured by this Deed of Trust shall be at such rate as beneficiaries request. Beneficiaries will not unreasonably withhold consent.
- 3) The foregoing provisions for acceleration or increase in interest rate shall not apply if: (a) the conveyance or transfer is to create a lien or encumbrance subordinate to this Deed of Trust; (b) the transfer is by devise or descent upon the death of one of the grantors, or in trust for the benefit of the grantors.
- 4) Any consent to transfer by beneficiaries will not relieve grantors from liability on the debt secured by this Deed of Trust or the terms of this Deed of Trust.
- 5) Beneficiaries shall be entitled to charge a fee as a condition to such consent, such fee to be equal to the reasonable costs incurred by the beneficiary by way of securing credit reports, financial statements, legal advice, and other costs reasonably and properly associated with the granting of such consent.
- 6) If grantors, or any successor in interest to grantors is a corporation, limited liability company or association, the sale or assignment of any stock, membership units or interest in such corporation, limited liability company or association (for other than security purposes) in the aggregate in excess of forty-five percent (45%) in any two-year period, shall be deemed a transfer of the property.

ES 12:12 PM
Dated this 7 day of March, 2014

Eric J. Shelby
Eric J. Shelby

Julie L. Shelby
Julie L. Shelby

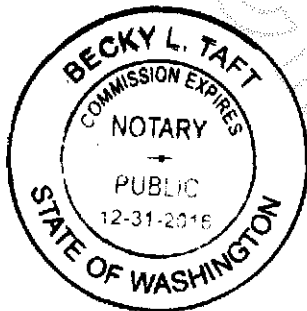
MAAT



STATE OF WASHINGTON
COUNTY OF Skagit

I certify that I know or have satisfactory evidence that Erre Shelby and Julie Shelton is the person who appeared before me, and said person acknowledged that they signed this instrument and acknowledged it to be their free and voluntary act for the uses and purposes mentioned in the instrument.

DATED: 3/12/2014



Becky L Taft

Notary Public

My appointment expires
12 31 2014



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