UNOFFICIAL DOCUMENT

201408290013
Skagit County Auditor $79.00
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WHEN RECORDED RETURN TO:

GUILD MORTGAGE COMPANY
ATTN: LOSS MITIGATION DEPT.
P.O BOX 85304
SAN DIEGO CA 92186-5304

[Space Above This Line for Recording Data]

ACCOMMODATION RECORDING
LAND TITLE OF SKAGIT COUNTY

GUILD# LGT000369F/124-2000369
FHA CASE #566-0499710-703

P47019
ptn Gov lot 2, 25-36-2E W.M.

138891-S

SUBORDINATE DEED OF TRUST

INDEX AS DEED OF TRUST

THIS SUBORDINATE DEED OF TRUST ("Security Instrument") is made on August 21, 2014. The Trustor is SCOTT BLAU, AN UNMARRIED MAN AND RACHEL RHOADS, AN UNMARRIED WOMAN, whose address is 11272 BLUE HERON ROAD, BOW, WASHINGTON 98232 ("Borrower"). The Trustee is the Secretary of Housing and Urban Development ("Trustee"). The Beneficiary is The Secretary of Housing and Urban Development, its successors or assigns, whose address is 451 Seventh Street, SW, Washington, DC 20410 ("Lender"). Borrower owes Lender the principal sum FORTY ONE THOUSAND SIX HUNDRED THIRTY and 33/100(U.S. $41,630.33). 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 August 1, 2044. 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:

PLEASE SEE ATTACHED LEGAL DESCRIPTION

Which has the address of 11272 BLUE HERON ROAD, BOW, WASHINGTON 98232

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 Instruments as the "Property."

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.

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 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 only to mortgage, grant and convey that Borrower's interest in the Property under the terms of 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 terms of this Security Instrument for 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.

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

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

7. **Acceleration; Remedies.** Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument. The

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notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to Borrower, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in the acceleration of the sums secured by this Security Instrument and sale of the Property. The notice shall further inform borrower of the right to reinstate after acceleration and the right to bring a court action to assert the non-existence of a default or any other defense of Borrower to acceleration and sale. If the default is not cured on or before the date specified in the notice, Lender, at its option, may require immediate payment in full of all sums secured by this Security Instrument without further demand and may invoke the power of sale and any other remedies permitted by applicable law. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this Paragraph 7, including, but not limited to, reasonable attorney's fees and costs of title evidence.

If the Lender's interest in this Security Instrument is held by the Secretary and the Secretary requires immediate payment in full under the Paragraph 7 of the Subordinate Note, the Secretary may invoke the non-judicial 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 designate 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 or applicable law.

8. Reconveyance. Upon payment of all sums secured by this Security Instrument, Lender shall request Trustee to reconvey the Property and shall surrender this Security Instrument and all notes evidencing debt secured by this Security Instrument to Trustee. Trustee shall reconvey the Property without warranty and without charge to the person or persons legally entitle to it. Such person or persons shall pay any recordation costs.

9. Substitute Trustee. Lender, at its option, may from time to time appoint a successor trustee to any Trustee appointed hereunder by an instrument executed and acknowledge by Lender and recorded in the office of the Recorder of the county in which the Property is located. The instrument shall contain the name of the original Lender, Trustee and Borrower, the book and page where this Security Instrument is recorded and the name and address of the successor trustee. Without conveyance of the Property, the successor trustee shall succeed to all the title, powers and duties conferred upon the Trustee herein and by applicable law. This procedure for substitution of trustee shall govern to the exclusion of all other provisions for substitution.

10. Request for Notice. Borrower requests that copies of the notices of default and sale be sent to Borrower's address which is the Property Address.

11. Beneficiary Statement. Lender may collect a fee, not to exceed the maximum amount permitted by law for *furnishing Beneficiary statement* as provided by Section 2943 of the Civil Code of California.

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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:

Scott Blau, Borrower — Date: 8-22-14

Rachel Rhoads, Borrower — Date: 8/22/14

[Space Below This Line for Acknowledgment]

STATE OF WASHINGTON
COUNTY OF SKAGIT

On 8/22/14, before me, Juanita Arellano, notary public, personally appeared Scott Blau, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Juanita Arellano
signature of notary

JUANITA ARELLANO
COMMISSION EXPIRES
NOTARY
PUBLIC
DECEMBER 20, 2017
STATE OF WASHINGTON

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STATE OF WASHINGTON
COUNTY OF SKAGIT

On 8/22/14, before me, Juanita Arellano, notary public, personally appeared Rachel Rhoads, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Juanita Arellano
signature of notary

JUANITA ARELLANO
COMMISSION EXPIRES
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DESCRIPTION:

Those portions of Government Lot 2, Section 25, Township 36 North, Range 2 East, W.M., described as follows:

Beginning at a point 400 feet East of the Southwest corner of said Lot 2, said point being the Southeast corner of a tract conveyed to Anna M. Rasar by deed recorded September 28, 1944, in Volume 196 of Deeds, page 77;
thence North, a distance of 958.02 feet;
thence North 84°16' East, a distance of 310 feet, more or less, to a point 50 feet Westerly from the Northwest corner of a tract conveyed to Samish Island Community Center, Inc. and the point of beginning of this description;
thence South, a distance of 200 feet;
thence South 84°16' West, a distance of 100 feet;
thence North, a distance of 200 feet;
thence North 84°16' East, a distance of 100 feet to the point of beginning of this description.

TOGETHER WITH that portion of said Government Lot 2, described as follows:

Beginning at a point 400 feet East of the Southwest corner of said Lot 2, said point being the Southeast corner of a tract conveyed to Anna M. Rasar by deed recorded September 28, 1944, in Volume 196 of Deeds, page 77;
thence North, a distance of 958.02 feet;
thence North 84°16' East, a distance of 210 feet, more or less, to the Northwest corner of that certain tract of land conveyed to Scott Blau and Nancy Blau by deed filed under Auditor's File No. 200008280044 and the point of beginning of this description;
thence South 84°16' West, a distance of 50 feet;
thence South, a distance of 300 feet to a point that is 100 feet distance Westerly from the Southwest corner of and on the Westerly projection of the South line of that certain tract of land conveyed to Eric Peter Nordlund and Megan E. Nordlund by deed filed under Auditor's File No. 8901250038;
thence North 84°16' East, a distance of 100 feet to the Southwest corner of said Nordlund tract;
thence North along the West line of said Nordlund tract, a distance of 100 feet to the South line of said Blau tract;
thence South 84°16' West, a distance of 50 feet to the Southwest corner of said Blau tract;
thence North along the West line of said Blau tract a distance of 200 feet to the point of beginning of this description.

TOGETHER WITH the West 9.05 feet of the following described tract:

Beginning at the Southwest corner of Government Lot 2, Section 25, Township 36 North, Range 2 East, W.M.;
thence East 400 feet, more or less, to the Southeast corner of a tract conveyed to Anna M. Rasar by deed recorded September 28, 1944, under Auditor's File No. 374765;
thence North, a distance of 958.02 feet;
thence North 84°16' East, a distance of 460 feet;
thence South, a distance of 200 feet to the point of beginning of this description;
thence South, a distance of 100 feet;
thence South 84°16' West, a distance of 200 feet;
thence North, a distance of 100 feet;
thence North 84°16' East, a distance of 200 feet to the point of beginning of this description;

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Schedule "A-1" **138891-S**

DESCRIPTION CONTINUED:

EXCEPT the East 5.00 feet of the following described tract:

Beginning at a point 400 feet East and 958.02 feet North of the Southwest corner of Section 25, Township 36 North, Range 2 East, W.M., said point being the Southeast corner of a tract conveyed to Anna M. Rasar by deed recorded September 28, 1944, in Volume 196 of Deeds, page 77;
thence North, a distance of 958.02 feet;
thence North 84°16' East, a distance of 310 feet, more or less, to a point 50 feet Westerly from the Northwest corner of a tract conveyed to Samish Island Community Center, Inc. and the point of beginning of this description;
thence South, a distance of 200 feet;
thence South 84°16' West, a distance of 100 feet;
thence North, a distance of 200 feet;
thence North 84°16' East, a distance of 100 feet to the point of beginning of this description,

EXCEPT County Road.

Situate in the County of Skagit, State of Washington.