After Recording Return To:

BRETT BOULTON

5355 Homesteader Road

Deming, WA 98244

201409120081

Skagit County Auditor $79.00

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DEED OF TRUST

Leg Des: Including manufactured home 1963 Mellohome 50x10 Serial No 76350, Smith Skagit Hideaway lot 6 and also less the West Half. P73930

I. DEFINITIONS

A. **"Security Instrument"** means this document, effective 1 November 2014.

B. **"Borrower"** is Brett W. and Kathy A. Boulton, Borrowers are the trustors under this Security Instrument.

C. **"Lender"** is Oswald Harley, an individual, is the Lender and the beneficiary under this Security Instrument.

D. **"Trustee"** is ~~Oswald Harley~~. Kara Deyerin

E. **"Note"** means the promissory note signed by Borrower and effective on the 1st day of November 2014. The Note states that Borrower owes Lender fifty one thousand and five hundred dollars (U.S. $51,500.00) plus interest. Borrower has promised to pay this debt in regular Periodic Payments and to pay the debt in full not later than 1st day of October 2024.

F. **"Property"** means the property that is described below under the heading "Transfer of Rights in the Property."

G. **"Loan"** means the debt evidenced by the Note, plus interest, any prepayment charges and late charges due under the Note, and all sums due under this Security Instrument, plus interest.

H. **"Applicable Law"** means all controlling applicable federal, Washington state and local statutes, regulations, ordinances and administrative rules.

I. **"Escrow Items"** means those items that are described in Section II(d)(iii).

J. **"Miscellaneous Proceeds"** means any compensation, settlement, award of damages, or proceeds paid by any third party.

K. **"Periodic Payment"** means the regularly scheduled amount due for (i) principal and interest under the Note, plus (ii) any amounts under Section 3 of this Security Instrument.

L. **"Underlying Mortgage Note"** means the new mortgage the Lender, Oswald Harley, undertook to finance the note to the Borrowers Brett W. and Kathy A. Boulton.

II. TRANSFER OF RIGHTS IN THE PROPERTY

A. **SECURITY.** This Security Instrument secures to Lender: the repayment of the Loan, and all renewals, extensions and modifications of the Note; and the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower irrevocably grants and conveys to Trustee, in trust, with power of sale, the following described property located in the County of Skagit in the State of WA, parcel number P73930, legal description of INCLUDING MANUFACTURED HOME 1963 MELLOHOME 50X10 SERIAL NUMBER 76350, SMITH SKAGIT HIDEWAYA LOT 6 AND ALSO LESS THE WEST HALF; commonly referred to as 100 Water Street, Hamilton WA 98255 ("Property Address").

B. PROPERTY. 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 Instrument as the "Property."

C. BORROWER COVENANTS that Borrower is lawfully seised of the estate hereby conveyed and has the right to 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 of record.

D. THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by Washington State to constitute a uniform security instrument covering real property.

E. UNIFORM COVENANTS. Borrower and Lender covenant and agree:

i) <u>Payment of Principal, Interest, Escrow Items, Prepayment Charges, and Late Charges.</u> Borrower shall pay when due the principal of, and interest on, the debt evidenced by the Note and any prepayment charges and late charges due under the Note. Borrower is responsible for paying the real property taxes and any real property insurance associated with the Property. Payments due under the Note and this Security Instrument shall be made in US currency. Payments are deemed received by Lender when received by him. Lender may return any payment or partial payment if the payment or partial payments are insufficient to bring the Loan current and may accept any payment or partial payment insufficient to bring the Loan current, without waiver of any rights hereunder or prejudice to its rights to refuse such payment or partial payments in the future.

ii) <u>Application of Payments or Proceeds.</u> Except as otherwise described in this Section II(d)(ii), all payments accepted and applied by Lender shall be applied in the following order of priority: interest due under the Note and then principal due under the Note. Any remaining amounts shall be applied first to late charges, second to any other amounts due under this Security Instrument, and then to reduce the principal balance of the Note. If Lender receives a payment from Borrower for a delinquent Periodic Payment which includes a sufficient amount to pay any late charge due, the payment may be applied to the delinquent payment and the late charge.

iii) <u>Taxes, Insurance, Charges; Liens.</u> Borrower shall pay all real property taxes, real property insurance, assessments, charges, fines, and impositions attributable to the Property which can attain priority over this Security Instrument. Borrower shall promptly discharge any lien which has priority over this Security Instrument unless the Lender agrees otherwise in writing.

iv) <u>Property Insurance.</u> Borrower may keep the improvements now existing or hereafter erected on the Property insured against loss.

v) Forbearance By Lender Not a Waiver. Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to Borrower or any Successor in Interest of Borrower shall not operate to release the liability of Borrower or any Successors in Interest of Borrower.

vi) Notices. All notices given by Borrower or Lender in connection with this Security Instrument must be in writing. Any notice to Borrower in connection with this Security Instrument shall be deemed to have been given to Borrower when mailed by first class mail or when actually delivered to Borrower's notice address if sent by other means. Borrower and/or Lender shall promptly notify the other party of a change of address. Notices shall be sent to the following address:

(a) **To Lender:**
Oswald Harley
8335 29th NW
Seattle Wa 98117

(b) **To Borrower:**
Brett and Kathy Boulton
5355 Homesteader Rd
Deming Wa 98244

vii) Governing Law; Severability; Rules of Construction. This Security Instrument shall be governed by federal law, Washington State law, and any applicable local laws. All rights and obligations contained in this Security Instrument are subject to any requirements and limitations of Applicable Law. Applicable Law might explicitly or implicitly allow the parties to agree by contract or it might be silent, but such silence shall not be construed as a prohibition against agreement by contract. 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. As used in this Security Instrument: (a) words of the masculine gender shall mean and include corresponding neuter words or words of the feminine gender; (b) words in the singular shall mean and include the plural and vice versa; and (c) the word "may" gives sole discretion without any obligation to take any action; (d) titles are provided for ease of reading and have no significance.

viii) Borrower's Right To Build. Borrower has the right to build on the Property and to remove the singlewide mobile home.

ix) Borrower's Copy. Borrower shall be given one copy of the Note and of this Security Instrument.

x) Transfer of the Property or a Beneficial Interest in Borrower. As used in this Section, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title by Borrower at a future date to a purchaser. If all or any part of the

Property or any Interest in the Property is sold or transferred without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given for Borrower to pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument.

xi) Borrower's Right to Reinstate After Acceleration. Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earliest of: (a) five days before sale of the Property pursuant to any power of sale contained in this Security Instrument; (b) such other period as Applicable Law might specify for the termination of Borrower's right to reinstate; or (c) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees, property inspection and valuation fees, and other fees incurred for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument; and (d) takes such action as Lender may reasonably require to assure that Lender's interest in the Property and rights under this Security Instrument, and Borrower's obligation to pay the sums secured by this Security Instrument, shall continue unchanged. Upon reinstatement by Borrower, this Security Instrument and obligations secured hereby shall remain fully effective as if no acceleration had occurred.

xii) Transfer of Note. The Note or a partial interest in the Note (together with this Security Instrument) can be transferred to Lender's successors without Borrower's consent. Lender shall give borrower notice of such transfer.

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

i) 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 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 acceleration of the sums secured by this Security Instrument and sale of the Property at public auction at a date not less than 120 days in the future. The notice shall further inform Borrower of the right to reinstate after acceleration, 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, and any other matters required to be included in the notice by Applicable Law. 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/or any other remedies permitted by Applicable Law. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this Section, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

If Lender invokes the power of sale, Lender shall give written notice to Trustee of the occurrence of an event of default and of Lender's election to cause the Property to be sold. Trustee and Lender shall take such action regarding notice of sale and shall give such notices to Borrower and to other persons as Applicable Law may require. After the time required by Applicable Law and after publication of the notice of sale, Trustee, without demand on Borrower, shall sell the Property at public auction to the highest bidder at the time and place and under the terms designated in the notice of sale in one or more parcels and in any order Trustee determines. Trustee may postpone sale of the Property for a period or periods permitted by Applicable Law by public announcement at the time and place fixed in the notice of sale. Lender or its designee may purchase the Property at any sale.

Trustee shall deliver to the purchaser Trustee's deed conveying the Property without any covenant or warranty, expressed or implied. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all expenses of the sale, including, but not limited to, reasonable Trustee's and attorneys' fees; (b) to all sums secured by this Security Instrument; and (c) any excess to the person or persons legally entitled to it or to the clerk of the superior court of the county in which the sale took place.

ii) <u>Reconveyance.</u> 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 to the person or persons legally entitled to it. Such person or persons shall pay any recordation costs and the Trustee's fee for preparing the reconveyance.

iii) <u>Alternative Dispute Resolution.</u> Before having an arbitration hearing, Lender and Borrower agree to attempt to resolve all disputes by mediation using the mediation services of the American Arbitration Association. Mediation is a nonbinding process in which a neutral person helps the parties to try to reach an agreement to resolve their disputes. If the mediation is done after one party has started the arbitration process, the mediation shall not delay the arbitration hearing date. Temporary or interim relief may be sought without mediating first. Any failure to mediate shall not affect the validity of an arbitration award or the obligation to arbitrate. All disputes that are not resolved by agreement (in mediation or otherwise) shall be determined by binding arbitration. Arbitration is a process in which one or more neutral people decide the case after hearing evidence presented by both sides. Mediation costs shall be split 50-50. The mediator and/or arbitrator can choose to award costs associated with mediation/arbitration should he or she deem it necessary.

iv) Saving Provision. If any part of this agreement is held to be unenforceable, it shall not affect any other part. If any part of this agreement is held to be unenforceable as written, it shall be enforced to the maximum extent allowed by applicable law.

v) Binding Effect. This agreement is binding upon the parties and their personal representatives, heirs, successors and permitted assigns.

vi) Complete Agreement. This agreement is the final and complete expression of the parties' agreement; all previous verbal agreements are superseded by this Agreement. This agreement may be amended only by a writing signed by both parties; it may not be amended orally or by course of dealing. **ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, EXTEND CREDIT, OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.**

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument executed by Borrower and recorded with it.

Harley Oswald

Oswald Harley - Lender

Brett Boulton

Brett A. Boulton - Borrower

Kathy A. Boulton

Kathy A. Boulton - Borrower

State of Washington }
} ss
County of Skagit }

On this day personally appeared before me OSWALD HARLEY, Lender and BRETT W. and KATHY A. BOULTON, Borrowers, known to me to be the individuals described in and who executed the foregoing instrument, and acknowledged that they signed the same as their free and voluntary act and deed for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 12th day of September 2014 by

Pamela G. Aldridge

NOTARY PUBLIC in and for the State of Washington, Residing in SedRo WooLey.

My commission expires 11-26-17

PLACE NOTARY SEAL HERE

PAMELA G. ALDRIDGE
COMMISSION EXPIRES
NOTARY
PUBLIC
11-26-2017
STATE OF WASHINGTON

201409120081
Skagit County Auditor $79.00
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