

When recorded return to:

Stephen W. and Judy D. Peterson
3201 Byron Avenue
Bellingham, WA 98225



Skagit County Auditor \$78.00
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DEED OF TRUST

Document Title: Deed of Trust

Reference Nos. of Documents Affected: N/A

Grantor: Scott Svege, a single person

Grantee: Stephen W. Peterson and Judy D. Peterson, husband and wife

Assessor Parcel ID No.: 360312-3-001-0202 / P47802. (Skagit County), 4051231784910000 / PID# 150586 (Whatcom County)

Legal Description: Portion SE ¼ of the NW ¼, Section 12, Township 36 North, Range 3 East, W.M, Situate in Skagit County, Washington; AND Lot 85 and Portion of Lot 84, Birch Bay View as per the map thereof, recorded in Book 8 of Plats, Page 94. Situate in Whatcom County, Washington

LAND TITLE OF SKAGIT COUNTY

150445-0

THIS DEED OF TRUST, made this 8th day of October, 2014 between Scott Svege, a single person,

as GRANTOR, whose address is 3859 Robby Court, Bellingham, WA 98226-0730

and Land Title Company of Skagit County

as TRUSTEE, whose address is P.O. Box 445, Burlington, WA 98233

and Stephen W. Peterson and Judy D. Peterson, husband and wife,

as BENEFICIARY, whose address is 3201 Byron Street, Bellingham, WA 98225

WITNESSETH: Grantor hereby bargains, sells, and conveys to Trustee in trust, with power of sale, the following described real property in Skagit and Whatcom Counties, Washington:

Parcel A:

Portion SE ¼ of the NW ¼, Section 12, Township 36 North, Range 3 East, W.M, Situate in Skagit County, Washington

Parcel B:

Lot 85 and Portion of Lot 84, Birch Bay View as per the map thereof, recorded in Book 8 of Plats, Page 94. Situate in Whatcom County, Washington.

FULL LEGAL DESCRIPTION ATTACHED HERETO AS EXHIBIT "A"

Tax Parcel Number: 360312-3-001-0202 / P47802 (Skagit County), 4051231784910000 (Whatcom County).

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 each agreement of Grantor(s) herein contained, and payment of the sum of SEVENTY FIVE THOUSAND AND NO/100 DOLLARS (\$75,000) with interest, in accordance with the terms of a promissory note of even date herewith, payable to Beneficiary or order, and made by Grantor(s), and all renewals, modifications, and extensions thereof, and also such further sums as may be advanced or loaned by Beneficiary to Grantor(s), or any of his/her/their successors or assigns, together with interest thereon at such rate as shall be agreed upon.

DUE DATE: The entire balance of the promissory note secured by this Deed of Trust, together with any and all interest accrued thereon, shall be due and payable in full on October 10th, 2019.

To protect the security of this Deed of Trust, Grantor(s) covenant(s) and agree(s):

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 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 or other hazards in an 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(s). The amount collected

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\$78.00

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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(s) 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 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 Grantor(s) 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: (OPTIONAL - *Not applicable unless initialed by Grantor and Beneficiary.*) The property described in this security instrument may not be sold or transferred without the Beneficiary's consent. Upon breach of this provision, Beneficiary may declare all sums due under the note and Deed of Trust immediately due and payable, unless prohibited by applicable law.

Scott & Irene
Grantor initials

SWP
Beneficiary initials *J.D.P.*

IT IS MUTUALLY AGREED THAT:

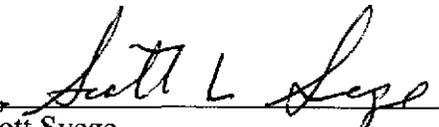
1. In the event any portion of the property is taken or damaged in an eminent domain proceeding, the entire amount of the award or such portion as may be necessary to fully satisfy the obligation secured hereby, shall be paid to Beneficiary to be applied to said obligation.
2. By accepting payment of 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. 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(s) and the Beneficiary, or

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upon satisfaction of the obligation secured and written request for reconveyance made by the Beneficiary or the person entitled thereto.

4. Upon default by Grantor(s) 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 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 Grantor(s) had or had the power to convey at the time of his/her/their execution of this Deed of Trust, and such as he/she/they 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 encumbrancers 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 an action or proceeding in which Grantor(s), 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 his/her/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.



Scott Svege

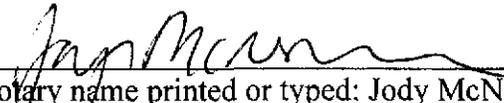


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STATE OF WASHINGTON
SS
COUNTY OF WHATCOM

I certify that I know or have satisfactory evidence that Scott Svege is the person(s) who appeared before me, and said person(s) acknowledged that he signed this instrument and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in this instrument.

Dated: 10/8/14


Notary name printed or typed: Jody McNamara
Notary Public in and for the State of Washington
Residing at Bellingham
My appointment expires: 4/8/2018

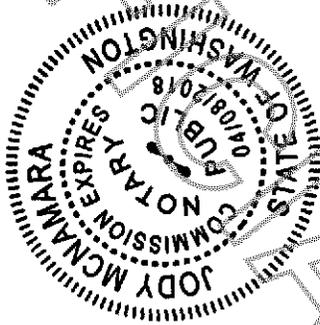


EXHIBIT "A"

PARCEL A:

That portion of the Southeast $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of Section 12, Township 36 North, Range 3 East, W.M., lying Southeasterly of the road. Also that portion of the Northeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of said Section 12, described as follows:

Beginning at the Northeast corner of the Northeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of said Section; thence South along the East line thereof, 75 feet; thence West parallel with the North line of said subdivision to the East line of an established road; thence Northerly along said East line to the North line of said Northeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$; thence East along said North line to the point of beginning.

Situate in the County of Skagit, State of Washington.

PARCEL B:

All of Lot 85, "Plat of Birch Bay View", Whatcom County, Washington, as per the map thereof, recorded in Book 8 of Plats, Page 94, in the Auditor's Office of said county and state. Together with that portion of Lot 84, said "Plat of Birch Bay View", lying southerly of the following described line:

Commencing at the Northwest corner of said Lot 84; thence South along the West line thereof, for a distance of 95 feet, to the point of beginning of said line; thence South $85^{\circ}22'58''$ East for a distance of 98.71 feet to the Northeast corner of said Lot 84 and the end of said line.

Situate in County of Whatcom, State of Washington.

