

After recording, please return to:
Brownlie Evans Wolf & Lee, LLP
230 E. Champion Street
Bellingham, WA 98225



201603230075

Skagit County Auditor \$79.00
3/23/2016 Page 1 of 6 3:26PM

DEED OF TRUST

Grantors: DEAN HOLT and AMY HOLT, husband and wife

Grantees/Beneficiaries: GUNNAR PEDERSEN and JUDY A. PEDERSEN, husband and wife

Legal Description (abbreviated): The N ½ of the SW ¼ of Sec 3, T33N, R4E, W.M. (see full legal description in Exhibit A attached hereto)

Assessor's Tax Parcel ID#(s): P16245; P128688; P128687; P126951

Reference Numbers of Related Document(s): N/A Land Title and Escrow 15456204

THIS DEED OF TRUST, made this 18th day of March, 2015, between DEAN HOLT and AMY HOLT (hereinafter collectively referred to as "Grantor"), whose address is 2311 S. 18th St. Mount Vernon WA 98274; LAND TITLE AND ESCROW (hereinafter referred to as "Trustee"), whose address is 111 East George Hopper Road, Burlington, Washington 98233; and GUNNAR PEDERSEN and JUDY A. PEDERSEN (hereinafter collectively referred to as "Grantee" or "Beneficiary"), whose address is c/o Mark J. Lee, Brownlie Wolf & Lee, LLP, 230 E. Champion Street, Bellingham, Washington 98225,

WITNESSETH: Grantor hereby bargains, sells, and conveys to Trustee in Trust, with power of sale, the following described real property in Skagit County, Washington, 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 way appertaining, and the rents, issues, and profits thereof, that real property legally described as:

SEE EXHIBIT A ATTACHED HERETO AND INCORPORATED BY REFERENCE.

This deed is for the purpose of securing performance of each agreement of Grantor herein contained, and payment of the sum of Ninety Thousand and No/100 Dollars (\$90,000.00), with interest, in accordance with the terms of a Promissory Note dated this same date, payable to Beneficiary or order, and made by Grantor, and all renewals, modifications and extensions thereof, and also such further sums as may be advanced or loaned by Beneficiary to Grantor, 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, Grantor covenants and agrees:

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 their interest may appear, and then to the Grantor. 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 Grantor 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 fees in a reasonable amount, in any such action or proceeding, and in any attorneys' fees and costs incurred by Beneficiary in any such action. In addition to any statutory rights to recover attorneys' fees and costs, should Beneficiary bring an action, or otherwise take action to enforce or foreclose on this Deed of Trust, then Grantor shall pay all of Beneficiary's attorneys' fees and costs in such matter.

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 fees actually incurred, as provided by statute.

6. Should Grantor 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, and such added amount shall be subject to the same interest rate as set out in the Promissory Note which is secured by this Deed of Trust.

7. DUE ON SALE CLAUSE: The property(ies) described in this security instrument may not be sold or transferred without the Beneficiary's written consent. Upon breach of this provision, Beneficiary may declare all sums due under the Promissory Note and Deed of Trust immediately due and payable, unless otherwise prohibited by law.

TH AH Grantor

CP JP

Grantee/Beneficiary

IT IS MUTUALLY AGREED THAT:

1. There are a total of two buildable lots included within the property described in Exhibit A. For each of these lots described in Exhibit A, the Grantees/Beneficiaries and Trustee shall issue a partial reconveyance upon receipt of a total principal payment of the following amounts for each lot:

Lot 4: A total payment of at least Fifty-Five Thousand and No/100 Dollars (\$55,000.00) plus associated interest towards this lot; and

Lot 3: A total payment of at least Seventy-Five Thousand and No/100 Dollars (\$75,000.00) plus any associated interest towards this lot.

The amount attributable to each lot for purposes of determining whether a partial reconveyance is in order shall include prior payments received by the Grantees/Beneficiaries and applied to the lot. The Trustee shall partially reconvey this Deed of Trust as to each lot, upon receipt of notice of the payment of the principal amounts set out above plus associated interest being paid to the Grantees/Beneficiaries. The Grantors shall not be required to pay more than the amounts set out above in principal per lot in connection with sale or partial reconveyance of each buildable lot. Any remaining property described in Exhibit A not previously reconveyed shall be reconveyed upon complete satisfaction of all amounts due and owing under the Promissory Note that is secured by this Deed of Trust.

If Lot 3 is subject to a partial reconveyance, then such partial reconveyance shall be in that form set out in Exhibit B, which is attached hereto and incorporated by reference.

2. In the event any portion of the property is taken or damaged in any 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. In this, Grantor hereby conveys and assigns all such amounts from an eminent domain award that is necessary to satisfy the obligation secured by this Deed of Trust.
3. By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive their right to require prompt payment when due of all other sums so secured or to declare default for failure to so pay.
4. 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 and the Beneficiary, or upon satisfaction of the obligation secured and written request for reconveyance made by the Beneficiary or the person entitled thereto.
5. Upon default by Grantor 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 any laws allowed by the State of Washington, including, but not limited to, the Deed of Trust Act of the State of Washington, or through judicial sale or as a mortgage, at public auction to the highest bidder. Any person, including, but not limited to Beneficiary, 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, attorneys' fees and costs; (2) to the obligation secured by this Deed of Trust; (3) to Beneficiary's attorneys' fees and costs; and (4) the surplus, if any, shall be distributed to the persons entitled thereto.
6. 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 had or had the power to convey at the time of their execution of this Deed of Trust, and such as 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 purchasers and encumbrancers for value.
7. 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 or in any other manner as allowed by law.

8. 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 Grantor, Trustee or Beneficiary shall be a party unless such action or proceeding is brought by the Trustee.

9. 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 Promissory Note secured hereby, whether or not named as Beneficiary herein.

GRANTOR:
DEAN HOLT



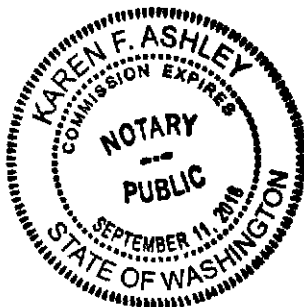
STATE OF WASHINGTON)

) ss.

County of Skagit)

On this 18th day of March, 2016, before me personally appeared DEAN HOLT, to me known to be the individual described in and who executed the within and foregoing Deed of Trust, and acknowledged that he signed the same as his voluntary act and deed, for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.



NOTARY PUBLIC in and for the State of
Washington, residing at Seattle-Washley
My commission expires 9-11-2018

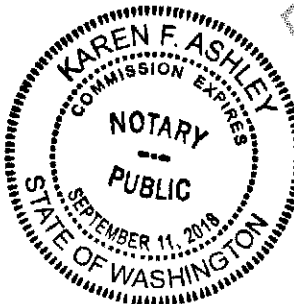
GRANTOR:
AMY HOLT

Amy Holt

STATE OF WASHINGTON)
) ss.
County of Skagit)

On this 18th day of March, 2016, before me personally appeared AMY HOLT, to me known to be the individual described in and who executed the within and foregoing Deed of Trust, and acknowledged that she signed the same as her voluntary act and deed, for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.



Karen Ashley
NOTARY PUBLIC in and for the State of
Washington, residing at Sedro-Woolley
My commission expires 9-11-2018

REQUEST FOR FULL RECONVEYANCE

Do not record. To be used only when note has been paid.

TO: TRUSTEE.

The undersigned is the legal owner and holder of the note and all other indebtedness secured by the within Deed of Trust. Said note, together with all other indebtedness secured by said Deed of Trust, has been fully paid and satisfied; and you are hereby requested and directed, on payment to you of any sums owing to you under the terms of said Deed of Trust, to cancel said note above mentioned, and all other evidences of indebtedness secured by said Deed of Trust delivered to you herewith, together with the said Deed of Trust, and to reconvey, without warranty, to the parties designated by the terms of said Deed of Trust, all the estate now held by you thereunder.

Dated: _____

EXHIBIT A

Lot 3-Buildable Portion, Lot 3 Unbuildable Portion and Lot 4 of Short Plat No. 99-0033 approved March 12, 2009, and recorded March 13, 2009, under Auditor's File No. 200903130064, records of Skagit County, Washington being a portion of the North 1/2 of the Southwest Quarter of Section 3, Township 33 North, Range 4 East W.M.

TOGETHER WITH a non-exclusive easement for ingress, egress and utilities 60 feet in width, as contained in "Easement Exchange Agreement" recorded June 30, 1989 under Auditor's File No. 8906300010, Records of Skagit County, Washington.

TOGETHER WITH the following described property:

That portion of the Southeast 1/4 of the Southwest 1/4 of Section 3, Township 33 North, Range 4 East, W.M, described as follows:

Beginning at the Northeast corner of the Southeast 1/4 of the Southwest 1/4 of said Section 3;

thence South 87°31'24" West along the North line of said subdivision, a distance of 212.00 feet to the point of beginning of this description;

thence South 35°08'43" West, a distance of 189.38 feet;

thence South 87°31'24" West, a distance of 755.37 feet;

thence North 02°28'36" West, a distance of 150.00 feet to the North line of the subdivision;

thence North 87°31'24" East along the North line of said subdivision to the point of beginning of this description.

Situate in the County of Skagit, State of Washington.