

After Recording Return To:

Skagit Habitat for Humanity, Inc.
1022 Riverside Dr.
Mount Vernon, WA 98273

GNW 22-14436

SECOND DEED OF TRUST

Grantor(s): **Esmeralda Yzaguirre, an unmarried woman**

Grantee(s):

Trustee: **GUARDIAN NORTHWEST TITLE & ESCROW
COMPANY, a Washington corporation**

Beneficiary: **SKAGIT HABITAT FOR HUMANITY, INC., a
Washington nonprofit corporation**

Abbreviated Legal: **Structure and Improvements Only, (0.1431 ac) THAT PORTION OF THE
NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 25,
TOWNSHIP 35 NORTH, RANGE 4 EAST, W.M. DESCRIBED AS FOLLOWS:
COMMENCING AT A POINT 221.00 FEET WEST AND 40.00 FEET SOUTH OF
THE NORTHEAST CORNER OF SAID SUBDIVISION; THENCE S 00-15-59 E, A
DISTANCE OF 50.94 FEET TO THE POINT OF BEGINNING OF THIS
DESCRIPTION; THENCE CONTINUING S 00-15-59 E, A DISTANCE OF 99.06
FEET; THENCE S 88-44-49 W, A DISTANCE OF 68.90 FEET; THENCE N 00-15-59
W, A DISTANCE OF 40.00 FEET; THENCE N 88-44-49 E, A DISTANCE OF 10.00
FEET; THENCE NORTH 00-15-59 WEST, A DISTANCE OF 59.06 FEET; THENCE
NORTH 88-44-49 EAST, A DISTANCE OF 58.90 FEET TO THE POINT OF
BEGINNING. SURVEY AF#202101210077**

Additional Legal on page(s); **Exhibit "A"**

Assessor's Tax Parcel No: **350425-0-002-0104 / P135064X**

THIS SECOND DEED OF TRUST, made between **Esmeralda Yzaguirre, an unmarried woman** as Grantor, whose address is 1201 Batey St, Sedro-Woolley, WA 98284 and **GUARDIAN NORTHWEST TITLE & ESCROW COMPANY**, a Washington corporation, as Trustee, whose address is 1301-B Riverside Dr., Mount Vernon, WA 98273, and **SKAGIT HABITAT FOR HUMANITY, INC.**, ("Skagit Habitat"), a Washington nonprofit corporation, as Beneficiary, whose address is 1022 Riverside Dr., Mount Vernon, WA 98273.

WITNESSETH: Grantor hereby bargains, sells and conveys to Trustee in Trust, with power of sale, the following described real property (the "Property") in Skagit County, Washington: See Exhibit "A" attached hereto and incorporated herein by this reference, 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 Second Deed of Trust is for the purpose of securing performance of each agreement of Grantor herein contained, and payment of the sum of **Ninety One Thousand and One Hundred and Seven Dollars and Sixty Cents (\$91,107.60)**, in accordance with the terms of a Second Promissory Note ("Note") of even date herewith, 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.

First Right of Refusal

Should the Grantor desire to sell or convey the Property, the Grantor shall first offer the Property to Beneficiary, or its successor in interest, in the following manner:

The Grantor shall serve notice in writing to **Skagit Habitat for Humanity, Inc., 1022 Riverside Dr., Mount Vernon, WA 98273**, or its successor in interest, by registered mail, return receipt requested. The notice shall indicate that the Grantor has a bona fide third-party offer for the sale of the Property, shall include the name and address of the person desiring to purchase the Property, and the sales price and terms of payment for such sale. The notice shall also contain an offer to sell the Property to Beneficiary, or its successor in interest, upon the same terms and conditions as set forth in the notice of bona fide third-party offer. A copy of any documents evidencing such bona fide third-party offer shall be included in said notice to Skagit Habitat.

Skagit Habitat shall have a period of thirty (30) days after the receipt of the above notice during which time Beneficiary, or its successor in interest, shall have the right to purchase the Property in accordance with the terms of the bona fide third-party offer. If Beneficiary, or its successor in interest, fails to exercise the right of first refusal set forth in this covenant, the Grantor may sell or convey the Property to the party making the bona fide third-party offer, but only at the price and upon the terms specified in the notice. Should the terms of sale change, Skagit Habitat shall be provided an additional offer notice containing the changed terms and/or conditions and shall have an additional thirty (30) day period in which to exercise its option to purchase the Property.

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Nothing in this covenant shall prevent a sale or conveyance of the Property at any time provided the Grantor shall receive the prior written approval of Beneficiary or its successor in interest.

To protect the security of this Second Deed of Trust, Grantor covenants and agrees:

- 1) ***Restriction Upon Sale or Transfer of Home.*** Grantor(s) and Beneficiary agree that the provisions of this agreement are intended to preserve the affordability of the property for low income households and expand access to affordable homeownership opportunities for such households for 20 years in the future.

Grantors may transfer the property only to Beneficiary or income qualified persons as defined below or otherwise only as explicitly permitted by the provisions in the First Promissory Note. All such transfers are to be completed only in strict compliance with this agreement. Any purported transfer that does not follow the procedures set forth, except in the case of a transfer to a Permitted Mortgagee in lieu of foreclosure, shall be null and void. A resale formula of 1.5% compounded annually is calculated based on the property purchase price.

“Income Qualified Person(s)” shall mean a person or group of persons whose household income does not exceed eighty percent (80%) of the area median household income for Skagit County as calculated and adjusted for household size from time to time by the US Department of Housing and Urban Development (HUD) or any successor.

- 2) ***Home Assistance Funding and Intent to Sell of Transfer of Home.*** This property was made available to the low-income homebuyer with the aid of funds from the Community Development Block Grant Home Assistance funding. The conditions of this financial assistance of \$25,000 restricts resale of the property per section 1, and the Maker and Holder agree to bind themselves to said conditions so that this agreement serves the purpose of preserving the affordability of the property for low-income households. The funding provided to assist in the purchase of the home is preserved through the end of 10 years. Maker may transfer or sell the home per section 7, and the Holder will recapture the grant funding through the end of 10 years for future “Income Qualified Person(s). The 10-year grant recapture period commences on the day the home is sold and transferred to the Maker. **This condition is material to Holder’s agreement to lend.**
- 3) 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; 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.
- 4) To maintain the exterior of all buildings, structures and/or improvements which are part of the Property in a neat and clean condition, painted as needed, and to maintain the landscaping in a neat and clean fashion and free of trash. To maintain exterior of the Property in accordance with the standards of the neighborhood and jurisdiction in order to enhance the value of the Property and neighborhood properties all for the benefit of Grantor and

Beneficiary. Should the Grantor fail to maintain the Property in accordance with this provision, Beneficiary may do so and all costs incurred by Beneficiary in so doing shall be the responsibility of Grantor, shall be added to the principal of the obligations owed hereby, and shall incur interest at the rate of twelve percent (12%) per annum from the date incurred until the date paid.

- 5) 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 Second Deed of Trust.
- 6) To keep all buildings, now or hereafter erected, which are a part of the Property described herein continuously insured against loss by fire hazards in an amount not less than the total replacement value. 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. 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 Second 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.
- 7) 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 Second Deed of Trust.
- 8) To pay all costs, fees and expenses in connection with this Second 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.
- 9) To the extent any portion of the Property is, or is construed to be, personal property, this Second Deed of Trust shall constitute a security agreement between Grantor, as debtor, and Beneficiary, as secured party, under the Uniform Commercial Code of the state in which the Property is located and any other applicable law. The grant of a security interest hereunder shall not be construed to derogate from or impair the lien or provisions of or rights of Beneficiary under this Second Deed of Trust with respect to any of the Property hereunder which is real property. Grantor grants a security interest to Beneficiary in any of all furniture, furnishings, appliances, machinery, equipment, and other personal property, originally included in the sale of the Property from Beneficiary to Grantor, including all additions, accessions, replacements, substitutions, proceeds, and products of the foregoing.
- 10) 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 Second Deed of Trust.

- 11) If Beneficiary so requests, Grantor shall pay to Beneficiary, in addition to the regular installments of principal and interest due under the terms of the Note, monthly until the Note is paid in full a sum equal to one-twelfth (1/12) of the annual taxes, assessments, and other impositions next due on the Property, as estimated by Beneficiary and sufficient to allow payment at least 30 days before the same become due; and a sum equal to one-twelfth (1/12) of the annual premiums that will next become due and payable on policies of fire, flood, rental value, and other insurance covering the Property and required under the terms hereof or of any other loan documents as estimated by Beneficiary and sufficient to allow payment at least 30 days before the same become due.

All such payments described in this Section 9 shall be held by Beneficiary in trust without any obligation arising for the payment of interest thereon to Grantor. In the event Grantor is not in default hereunder, Beneficiary shall apply such payment to all taxes, assessments, and other impositions and premiums next due. In the event of default by Grantor under this Second Deed of Trust, Beneficiary may apply any such payments held by Beneficiary to the payment of any indebtedness secured by this Second Deed of Trust in such manner as Beneficiary may elect.

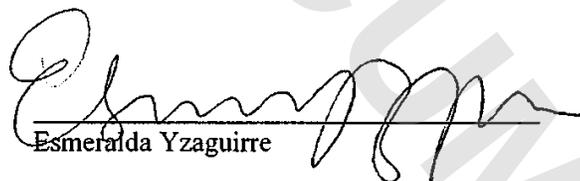
IT IS MUTUALLY AGREED THAT:

- 1) **Eminent Domain.** 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.
- 2) **No Waiver.** 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) **Release upon Satisfaction.** The Trustee shall reconvey all or any part of the Property covered by this Second 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.
- 4) **Acceleration and Sale of Property upon Default.** 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 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 Second Deed of Trust; and, (3) the surplus, if any, shall be distributed to the persons entitled thereto.
- 5) **Deed at Foreclosure Sale.** 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 its execution of this Second 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 Second 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) **Other Remedies.** The power of sale conferred by this Second Deed of Trust and by the Deed of Trust Act of the state of Washington is not an exclusive remedy; Beneficiary may cause this Second Deed of Trust to be foreclosed as a mortgage.
- 7) **Due on Sale Clause.** If Grantor should, without the prior written consent of Beneficiary, which consent shall not be unreasonably withheld, sell, convey, transfer, encumber, or alienate the Property, any part thereof, or any interest therein or be divested of Grantor's title or any interest therein in any manner, whether voluntary or involuntary, then in recognition of the reliance by Beneficiary on the ownership and management of the Property by Grantor which is a material inducement to Beneficiary to extend credit and favorable credit terms to Grantor and in recognition of the increased risk to Beneficiary upon the conveyance of the Property, or interest, as the case may be, by Grantor, Beneficiary, at Beneficiary's sole option, shall have the right to declare all sums secured hereby forthwith due and payable. The following shall not be deemed to constitute a sale, transfer, or encumbrance for purposes hereof: (a) creation of a purchase money security interest in items which may become affixed or attached to the Property; (b) a transfer by devise, descent, or operation of law upon the death of the/a Grantor. Waiver of any right granted to Beneficiary herein as to one transaction, event, or occurrence shall not be deemed to be a waiver of right as to any subsequent transaction, event, or occurrence.
- 8) **Successor Trustee.** 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 Second 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) **Successors Bound.** This Second 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 Note secured hereby, whether or not named as Beneficiary herein.

Dated: 5/13, 2022


Esmeralda Yzaguirre

UNOFFICIAL DOCUMENT

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Exhibit "A"

THE STRUCTURE AND ALL OF THE IMPROVEMENTS ONLY, as presently erected on the premises described as follows:

(0.1431 ac) THAT PORTION OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 25, TOWNSHIP 35 NORTH, RANGE 4 EAST, W.M. DESCRIBED AS FOLLOWS: COMMENCING AT A POINT 221.00 FEET WEST AND 40.00 FEET SOUTH OF THE NORTHEAST CORNER OF SAID SUBDIVISION; THENCE S 00-15-59 E, A DISTANCE OF 50.94 FEET TO THE POINT OF BEGINNING OF THIS DESCRIPTION; THENCE CONTINUING S 00-15-59 E, A DISTANCE OF 99.06 FEET; THENCE S 88-44-49 W, A DISTANCE OF 68.90 FEET; THENCE N 00-15-59 W, A DISTANCE OF 40.00 FEET; THENCE N 88-44-49 E, A DISTANCE OF 10.00 FEET; THENCE NORTH 00-15-59 WEST, A DISTANCE OF 59.06 FEET; THENCE NORTH 88-44-49 EAST, A DISTANCE OF 58.90 FEET TO THE POINT OF BEGINNING.

SURVEY AF#202101210077

Situate in the County of Skagit, State of Washington. P135064

SUBJECT TO: Easements, restrictions, and reservations of record

Exhibit "B"
Homebuyer Resale Agreement

This Agreement regarding the Community Development Block Grant Home Assistance funding, dated _____, (the 'Agreement') is made and entered into by and between Skagit Habitat for Humanity (the Holder) and Esmeralda Yzaguirre (the Maker).

Property Address: 1201 Batey Street, Sedro-Woolley, WA 98284

Home Assistance Funding and Intent to Sell of Transfer of Home - \$25,000. This property was made available to the low-income homebuyer with the aid of funds from the Community Development Block Grant (CDBG) Home Assistance funding.

The conditions of this financial assistance of \$25,000 restricts resale of the property per section as per the conditions noted below, and the Maker and Holder agree that the provisions of this agreement are intended to preserve the affordability of the property for low-income households. The funding provided to assist in the purchase of the home is preserved through the end of 10 years.

Maker and Holder agree that the provisions of this agreement are intended to preserve the affordability of the property for low-income households and expand access to affordable homeownership opportunities for such households for 10 years in the future.

Maker may transfer or sell the home per section per the conditions as noted below, and the Holder will recapture the grant funding through the end of 10 years for future "Income Qualified Person(s)". The 10-year grant recapture period commences on the day the home is sold and transferred to the Maker.

Maker may transfer the property only to Holder or income qualified persons as defined below or otherwise only as explicitly permitted by the provisions in the First Promissory Note. All such transfers are to be completed only in strict compliance with this agreement. Any purported transfer that does not follow the procedures set forth, except in the case of a transfer to a Permitted Mortgagee in lieu of foreclosure, shall be null and void. A resale formula of 1.5% compounded annually is calculated based on the property purchase price.

"Income Qualified Person(s)" shall mean a person or group of persons whose household income does not exceed eighty percent (80%) of the area median household income for Skagit County as calculated and adjusted for household size from time to time by the US Department of Housing and Urban Development (HUD) or any successor.