

When recorded return to:

Thomas J. Paulus
15278 Flightline Road
Burlington, WA 98233

DEED OF TRUST

(For use in the State of Washington only)

ACCOMODATION RECORDING ONLY

Reference No.: 205673-LT

THIS DEED OF TRUST, made on 27th, day of June, 2022 between

John Peth and Sons, Inc.,
as GRANTOR(S),
whose address is 13470 D'Arcy Road, Bow, WA 98232

and

Land Title and Escrow Company
as TRUSTEE,
whose address is 111 E. George Hopper Road, Burlington, WA 98233

and

Thomas J. Paulus
as BENEFICIARY,
whose address is 15278 Flightline Road, Burlington, WA 98233

WITNESSETH: Grantor(s) hereby bargain(s), sell(s), and convey(s) to Trustee in trust, with power of sale, the following described real property in Skagit County, Washington:

FOR PROPERTY DESCRIPTION SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART
HEREOF.

Abbreviated Legal: (Required if full legal not inserted above.)

ptn SW 1/4 SW 1/4, 17-35-03 & ptn NW 1/4 NW 1/4, 20-35-03

Tax Parcel Number(s): 350317-3-005-0200/P117448 & 350320-2-002-0100/P117449

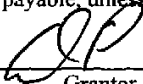
which real property is not used principally for agricultural or farming purposes, together with all the tenements, hereditaments, and appurtenances now or hereafter thereunto belonging or in any wise appertaining, and the rents, issues, and profits thereof.

This Deed of Trust is for the purpose of securing performance of each agreement of Grantor(s) contained in this Deed of Trust, and payment of the sum of TWO HUNDRED EIGHTY THOUSAND DOLLARS AND 00/100 Dollars (\$280,000.00) 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 Grantor(s)' 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 June 28, 2027.

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 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.

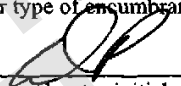


Grantor initials



Beneficiary initials

8. NO FURTHER ENCUMBRANCES: (OPTIONAL – Not applicable unless initialed by Grantor and Beneficiary.). As an express condition of Beneficiary making the loan secured by this Deed of Trust, Grantor shall not further encumber, pledge, mortgage, hypothecate, place any lien, charge or claim upon, or otherwise give as security the property or any interest therein nor cause or allow by operation of law the encumbrance of the Trust Estate or any interest therein without the written consent of a Beneficiary even though such encumbrance may be junior to the encumbrance created by this Deed of Trust. Encumbrance of the property contrary to the provisions of this provision shall constitute a default and Beneficiary may, at Beneficiary's option, declare the entire balance of principal and interest immediately due and payable, whether the same be created by Grantor or an unaffiliated third party asserting a judgment lien, mechanic's or materialmen's lien or any other type of encumbrance or title defect.


 Grantor initials


 Beneficiary initials

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 by this Deed of Trust shall be paid to Beneficiary to be applied to said obligation.
2. By accepting payment of any sum secured by this Deed of Trust 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 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 by this Deed of Trust or in the performance of any agreement contained in this Deed of Trust, all sums secured hereby shall immediately become due and payable at the option of the Beneficiary subject to any cure period provided in the note secured by this Deed of Trust. 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 all right, title and interest in the real and personal property which Grantor(s) had or had the power to convey at the time of the execution of this Deed of Trust, and such as Grantor(s) 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 absence, death, incapacity, disability, or resignation of Trustee, or at the discretion of the Beneficiary, 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.
9. ADDITIONAL TERMS AND CONDITIONS: (check one)
- a. ☒ None
- b. ☐ As set forth on the attached Exhibit _____ which is incorporated by this reference

(Note: If neither "a" nor "b" is checked, then option "a" applies.)

John Peth and Sons, Inc., a Washington Corporation

By: Daniel Peth

Daniel Peth, President

STATE OF WASHINGTON
COUNTY OF SKAGIT

Signed and sworn to (or affirmed) before me on this 27th day of June, 2022 by Daniel Peth, President of John Peth and Sons, Inc..

L. Shannon
Signature

Notary Public
Title

My appointment expires: AUG. 10, 2025

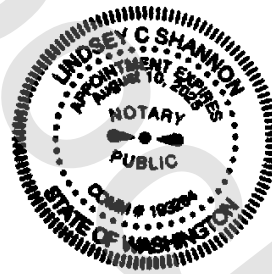


EXHIBIT A
LEGAL DESCRIPTION

Property Address: NHN D'Arcy Road, Bow, WA 98232
Tax Parcel Number(s): 350317-3-005-0200/P117448 & 350320-2-002-0100/P117449

Property Description:

Parcel A:

That portion of the Southwest 1/4 of the Southwest 1/4 of Section 17, Township 35 North, Range 3 East, W.M., and that portion of the Northwest 1/4 of the Northwest 1/4 of Section 20, Township 35 North, Range 3 East, W.M., described as follows:

Beginning at the Northwest corner of said Northwest 1/4 of the Northwest 1/4 of Section 20 (Northwest Section corner);

thence South 0°22'15" West 1,330.49 feet along the West line of said Northwest 1/4 of the Northwest 1/4 to the Southwest corner thereof (1/16 corner);
thence North 89°04'38" East 150.00 feet along the South line of said Northwest 1/4 of the Northwest 1/4;
thence North 0°22'15" West 537.78 feet parallel with said West line of the Northwest 1/4 of the Northwest 1/4 to the centerline of an existing field ditch;
thence along said field ditch South 81°49'43" East 313.96 feet;
thence South 85°7'10" East 350.28 feet;
thence leaving said field ditch, North 0°22'15" West 2,210.67 feet, more or less, parallel with said West line of the Northwest 1/4 of the Northwest 1/4 of Section 20 to the North line of the Southwest 1/4 of the Southwest 1/4 of Section 17, Township 35 North, Range 3 East, W.M.;
thence South 88°56'49" West 798.46 feet, more or less, along said North line of the Southwest 1/4 of the Southwest 1/4 to the Northwest corner thereof;
thence South 0°06'06" West 1,332.26 feet along the West line of said Southwest 1/4 of the Southwest 1/4 to the Southwest corner of said subdivision (Southwest Section corner) and being the point of beginning.

EXCEPT that portion of the Southwest 1/4 of the Southwest 1/4 of Section 17, Township 35 North, Range 3 East, W.M., lying Northwesterly of the centerline of Joe Leary Slough;

AND EXCEPT D'Arcy Road right-of-way;

EXCEPT

That portion of the Northwest 1/4 of the Northwest 1/4 of Section 20, Township 35 North, Range 3 East, W.M., described as follows:

Beginning at the Northwest corner of said Northwest 1/4 of the Northwest 1/4 of Section 20 (Northwest Section corner);

thence South 0°22'15" West, 1,330.49 feet along the West line of said Northwest 1/4 of the Northwest 1/4 to the Southwest corner thereof (1/16th corner);
thence North 89°04'38 East 150.00 feet along the South line of said Northwest 1/4 of the Northwest 1/4;
thence North 0°22'15" West 537.78 feet parallel with said West line of the Northwest 1/4 of the Northwest 1/4 to the centerline of an existing field ditch;
thence along said field ditch South 81°49'43" East 313.96 feet;

Parcel A continued:

thence South 85°7'10" East 350.28 feet;
thence leaving said field ditch, North 0°22'15" West 878.56 feet, more or less, parallel with said West line of the Northwest 1/4 of the Northwest 1/4 of Section 20 to the North line of the Northwest 1/4 of the Northwest 1/4 of Section 20, Township 35 North, Range 3 East, W.M.;
thence South 88°57'04" West 809.43 feet, more or less, along said North line of the Northwest 1/4 of the Northwest 1/4 of said Section 20 to the Northwest corner of said Section 20, and being the point of beginning.

Situate in the County of Skagit, State of Washington.

Parcel B:

That portion of the Northwest 1/4 of the Northwest 1/4 of Section 20, Township 35 North, Range 3 East, W.M., described as follows:

Beginning at the Northwest corner of said Northwest 1/4 of the Northwest 1/4 of Section 20 (Northwest Section corner);
thence South 1 Degree 10°20" West, 769.81 feet along the West line of said Northwest 1/4 of the Northwest 1/4 to the centerline of an existing ditch;
thence South 80°40'31" East along the centerline of said ditch, a distance of 151.52 feet;
thence South 80°17'08" East a distance of 313.96 feet;
thence South 83°44;35" East 350.28 feet;
thence leaving said field ditch, North 1°0'20" East 878.56 feet, more or less, parallel with said West line of the Northwest 1/4 of the Northwest 1/4 of Section 20 to the North line of the Northwest 1/4 of the Northwest 1/4 of Section 20, Township 35 North, Range 3 East, W.M.;
thence North 89°30'21" West 809.43 feet, more or less, along said North line of the Northwest 1/4 of the Northwest 1/4 of said Section 20 to the Northwest corner of said Section 20, being the Point of Beginning.

Situate in the County of Skagit, State of Washington.

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: _____

