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04/02/2024 09:09 AM Pages: 1 of 6 Fees: \$309.50
Skagit County Auditor

After recording return to:

Rosemarie Frey, Trustee of the E. William Frey Jr. Family
Trust dated 11/21/2001
1712 Juniper Butte Ave SE
Salem, Oregon 97306

DOCUMENT TITLE: DEED OF TRUST

TRUSTEE: CHICAGO TITLE COMPANY

GRANTOR: JULIE ANN AND NEIL EDWARD MORROW, A MARRIED
COUPLE

BENEFICIARY: ROSEMARIE FREY, TRUSTEE OF THE E. WILLIAM
FREY JR. FAMILY TRUST DATED 11/21/2001

ABBREVIATED LEGAL LOT 6, PLAT OF AVALON HEIGHTS, AF NO.
DESCRIPTION: 200708220070

ASSESSOR'S TAX PARCEL P126683
NUMBER:

SECOND POSITION DEED OF TRUST

THIS SECOND POSITION DEED OF TRUST, is made effective as of March 1, 2024, between Julie Ann and Neil Edward Morrow, a married couple (the "Grantor"), whose address is 7543 Avalon Heights Way, Sedro Woolley, WA 98284, CHICAGO TITLE COMPANY, TRUSTEE, whose address is 1835 Barkley Boulevard, Suite 105, Bellingham, WA 98226, as trustee ("Trustee"), and Rosemarie Frey, Trustee of the E. William Frey Jr. Family Trust dated 11/21/2001 (the "Beneficiary"), whose address is 1712 Juniper Butte Ave SE, Salem, Oregon 97306.

Grantor hereby bargains, sells and conveys to Trustee in Trust, with power of sale, the following described real property in Skagit County, Washington:

LOT 6, "PLAT OF AVALON HEIGHTS," AS PER PLAT RECORDED ON AUGUST 22, 2008, UNDER AUDITOR'S FILE NO. 200708220070, RECORDS OF SKAGIT COUNTY, WASHINGTON.

SITUATE IN SKAGIT COUNTY, WASHINGTON.

which real property is not used principally for agricultural 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.

This deed is for the purpose of securing performance of each agreement of Grantor herein contained, and payment of the sum of Two Hundred Forty-Nine Thousand Eight Hundred Fifteen and 18/100 Dollars (\$249,815.18) with interest, in accordance with the terms of a Promissory Note dated March 1, 2024, 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.

The lien securing the obligations secured by this Deed of Trust is and remains secondary and inferior to the liens securing payment of prior obligations in the form of the Deed of Trust in favor of Frey Living Trust recorded under Skagit County Auditor's File No. 202111010171 (the "Prior Lien"). Grantor covenants and agrees not to borrow additional money, on the promissory note which secures the Prior Lien, before the promissory note that secures this deed of trust, is paid in full. Grantor further represents and warrants to Beneficiary that except for the Prior Lien and the lien of real estate taxes not yet due and payable, there are no other monetary liens or encumbrances secured by the property.

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 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 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. SEE ALSO ADDENDUM A.

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 attorneys' 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, including costs of title search, and Trustee's and attorneys' 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 as of the date of such payment.

7. DUE ON SALE: 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.

8. NO FURTHER ENCUMBRANCES: 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, except that Grantor may grant security interest in the property to the extent such obligations secured by the property do not exceed \$50,000 cumulatively. 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.

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

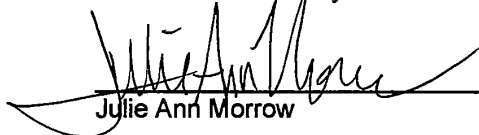
4. Upon default by Grantor in the payment of any indebtedness secured hereby or in the performance of any agreement contained herein, all sums secured hereby shall immediately become due and payable at the option of the Beneficiary. In such event and upon written request of Beneficiary, Trustee shall 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 attorneys' fees; (2) to the obligation secured by this Deed of Trust; (3) the surplus, if any, shall be distributed to the persons entitled thereto.

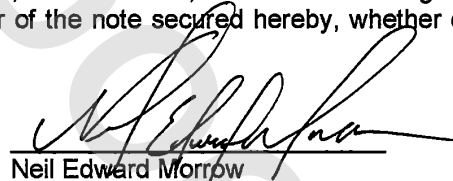
5. Trustee shall deliver to the purchaser at the sale its deed, without warranty, which shall convey to the purchaser the interest in the property which Grantor had or had the power to convey at the time of his execution of this Deed of Trust, and such as he may have acquired thereafter, Trustee's deed 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 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.

8. 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 note secured hereby, whether or not named as Beneficiary herein.


Julie Ann Morrow


Neil Edward Morrow

State of Washington)
) ss.
County of SKAGIT)

This record was acknowledged before me on Mar 23, 2024 by Julie Ann Morrow and Neil Edward Morrow.

(STAMP)




(Signature)

Notary Public Denon Lammatao

My commission expires: 11/02/2024

ADDENDUM A

1. **Insurance.** Grantor shall furnish Beneficiary with certificates evidencing each policy required to be provided by Grantor hereunder and certified copies of each policy. All policies for such insurance shall be on forms approved by Beneficiary, shall be subject to the approval of Beneficiary as to amount, content, form, and expiration date, and shall provide that they may not be cancelled without thirty (30) days prior written notice to Beneficiary. All policies shall contain a Beneficiary's Loss Payable Endorsement (Form BFU 438, or its equivalent), in favor of Beneficiary insuring that the proceeds thereof shall be payable to Beneficiary (to the extent of its interest). Upon Beneficiary's request, Grantor shall provide Beneficiary with evidence of the replacement cost of the Property.

At least thirty (30) days before expiration of any policy required to be provided by Grantor hereunder, Grantor shall furnish Beneficiary proof of issuance of a policy continuing in force the insurance covered by the policy so expiring. Grantor shall furnish Beneficiary receipts for the payment of premiums on such insurance policies or other evidence of such payment reasonably satisfactory to Beneficiary. In the event that Grantor does not deposit with Beneficiary evidence of renewal of expiring insurance and evidence of payment of premium thereon at least thirty (30) days before expiration of any policy, then Beneficiary may, but shall not be obligated to, procure such insurance and pay the premiums therefor pursuant to the provisions of this Deed of Trust.

2. **Funds for Taxes and Insurance.** Upon Beneficiary's election, Grantor shall pay to Beneficiary on the day monthly payments are due under the Note, until the Note is paid in full, a sum (the "Funds") to provide for payment of amounts due for: (a) real property taxes and assessments and (b) premiums for any and all insurance required by Beneficiary under this Addendum (the "Escrow Items"). After electing to require payment of the Funds for the Escrow Items, Beneficiary may waive Grantor's obligation to pay to Beneficiary Funds for any or all Escrow Items at any time. Any such waiver may only be in writing. In the event of such waiver, Grantor shall pay directly, when and where payable, the amounts due for any Escrow Items for which payment of Funds has been waived by Beneficiary, and if Beneficiary requires, shall furnish to Beneficiary receipts evidencing such payment within such time period as Beneficiary may require. If Grantor is obligated to pay Escrow Items directly, pursuant to a waiver, and Grantor fails to pay the amount due for any Escrow Items, Beneficiary may exercise Beneficiary's rights under this Deed of Trust and pay such amount and Grantor shall then be obligation under the terms of this Deed of Trust to repay to Beneficiary any such amount. Beneficiary may revoke the waiver as to any or all Escrow Items at any time by written notice.

If the amount of the Funds held by Beneficiary, together with the future monthly installments of Funds payable prior to the due dates of such Escrow Items exceeds the amount required to pay said Escrow Items as they fall due, such excess shall be, at Grantor's option, either promptly repaid to Grantor or credited to Grantor on monthly installments of Funds. If the Funds held by Lender are not sufficient to pay Escrow Items as they fall due, Grantor shall pay to Beneficiary any amount necessary to make up the deficiency in one or more payments as Beneficiary may require.

Upon payment in full of all sums secured by this Deed of Trust, Beneficiary shall promptly refund to Borrower any Funds held by Beneficiary.