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And after recording return to:  
Diana Ambauen  
1810 Larrabee Avenue  
Bellingham, WA 98225



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Skagit County Auditor

Document Title: **DEED OF TRUST**  
Grantor: **JESSICA A. BISHOP, an unmarried person**  
Grantee: **DIANA AMBAUEN, an unmarried person**  
Abbreviated Legal Description: **TRACT 2, SP #28-74, AF#804144  
A PTN SE ¼ SE ¼, S32 T36N R4E, W.M.**  
Assessor Tax Parcel No: **360432-4-006-0507 / P50531**

**DEED OF TRUST**

THIS DEED OF TRUST, is made this 8<sup>th</sup> day of July, 2025, by and between JESSICA A. BISHOP, an unmarried person, whose address is 19776 Park Ridge Lane, Sedro Woolley, Washington 98284 ("GRANTOR"), LAND TITLE & ESCROW, whose address is 111 E. George Hopper Road, Burlington, Washington 98233 ("TRUSTEE"), and DIANA AMBAUEN, an unmarried person, whose address is 1810 Larrabee Avenue, Bellingham, Washington 98225 ("BENEFICIARY").

Grantor hereby bargains, sells and conveys to Trustee in Trust, with power of sale, the real property described on the attached Exhibit A (the "Property"), 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 herein contained, and payment of the sum of **TWO HUNDRED TWENTY-FIVE THOUSAND and NO/100 DOLLARS (\$225,000.00)**, with interest, in accordance with the terms of a Secured Promissory Note dated 7/8/2025, 2025 ("Note"), payable to Beneficiary or order, and made by Grantor, and all renewals, modifications and extensions thereof, 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. Grantor shall not destroy, damage or impair the Property, allow the Property to deteriorate or commit waste on the Property. Grantor shall maintain the Property in order to prevent the Property from deteriorating or decreasing in value due to its condition. Unless it is determined pursuant to Section 3 hereof that repair or restoration is not economically feasible,

Grantor shall promptly repair the Property if damaged to avoid further deterioration or damage. If insurance or condemnation proceeds are paid in connection with damage to, or the taking of, the Property, Grantor shall be responsible for repairing or restoring the Property only if Beneficiary has released proceeds for such purpose. Beneficiary may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. If the insurance or condemnation proceeds are not sufficient to repair or restore the Property, Grantor is not relieved of Grantor's obligation for the completion of such repair or restoration.

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 the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage," and any other hazards including, but not limited to, earthquakes and floods, for which Beneficiary requires insurance. This insurance shall be maintained in the amounts (including deductible levels) and for the period that Beneficiary requires. What Beneficiary requires pursuant to the preceding sentences can change during the term of this Deed of Trust. The insurance carrier providing the insurance shall be chosen by Grantor subject to Beneficiary's right to disapprove Grantor's choice, which right shall not be exercised unreasonably. Beneficiary may require Grantor to pay, in connection with this Deed of Trust, either: (a) a one-time charge for flood zone determination, certification and tracking services; or (b) a one-time charge for flood zone determination and certification services and subsequent charges each time remappings or similar changes occur which reasonably might affect such determination or certification. Grantor shall also be responsible for the payment of any fees imposed by the Federal Emergency Management Agency in connection with the review of any flood zone determinations resulting from an objection by Grantor.

If Grantor fails to maintain any of the coverages described above, Beneficiary may obtain insurance coverage, at Beneficiary's option and Grantor's expense. Beneficiary is under no obligation to purchase any particular type or amount of insurance coverage. Therefore, such coverage shall cover Beneficiary, but might or might not protect Grantor, Grantor's equity in the Property, or the contents of the Property, against any risk, hazards or liability and might provide greater or lesser coverage than was previously in effect. Grantor acknowledges that the cost of the insurance coverage so obtained might significantly exceed the cost of insurance that Grantor could have obtained. Any amounts disbursed by Beneficiary under this Section 3 shall become additional debt of Grantor secured by this Deed of Trust. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Beneficiary to Grantor requesting payment.

All insurance policies required by Beneficiary and renewals of such policies shall be subject to Grantor's right to disapprove such policies, shall include a standard mortgage clause, and shall name Beneficiary as mortgagee and/or as additional loss payee. Beneficiary shall have the right to hold the policies and renewal certificates. If Beneficiary requires, Grantor shall promptly give to Beneficiary all receipts of paid premiums and renewal notices. If Grantor

obtains any form of insurance coverage, not otherwise required by Beneficiary, for damage to, or destruction of, the Property, such policy shall include a standard mortgage clause and shall name Beneficiary as mortgagee and/or as an additional loss payee.

In the event of loss, Grantor shall give prompt notice to the insurance carrier and Beneficiary. Beneficiary may make proof of loss if not made promptly by Grantor. Unless Beneficiary and Grantor otherwise agree in writing, any insurance proceeds, whether or not the underlying insurance was required by Beneficiary, shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Beneficiary's consent is not lessened. During such repair and restoration period, Beneficiary shall have the right to hold such insurance proceeds until Beneficiary has had an opportunity to inspect such Property to ensure the work has been completed to Beneficiary's satisfaction, provided that such inspection shall be undertaken promptly. Beneficiary may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. Unless an agreement is made in writing or applicable law requires interest to be paid on such insurance proceeds, Beneficiary shall not be required to pay Grantor any interest or earning on such proceeds. Fees for public adjuster, or other third parties, retained by Grantor shall not be paid out of the insurance proceeds and shall be the sole obligation of Grantor. If the restoration or repair is not economically feasible or Beneficiary's security would be lessened, the insurance proceeds shall be applied to the sums secured this Deed of Trust, whether or not then due, with the excess, if any, paid to Grantor.

If the Grantor abandons the Property, Beneficiary may file, negotiate and settle any available insurance claims and related matters. If Grantor does not respond within 10 days to a notice from Beneficiary that the insurance carrier has offered to settle a claim, then Beneficiary may negotiate and settle the claim. The 10-day period will begin when the notice is given. In either event, if Beneficiary acquires the Property hereunder or otherwise, Grantor hereby assigns to Beneficiary (a) Grantor's rights to any insurance proceeds in an amount not to exceed the amounts unpaid under the Note or this Deed of Trust, and (b) any other of Grantor's rights (other than the right to any refund of unearned premiums paid by Grantor) under all insurance policies covering the Property, insofar as such rights are applicable to the coverage of the Property. Beneficiary may use the insurance proceeds either to repair or restore the Property or to pay amounts unpaid under the Note of this Deed of Trust, whether then due or not.

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.

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 or for Beneficiary's benefit 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.

9. Grantor acknowledges and agrees that the indebtedness secured by this Deed of Trust is personal to Grantor, and that Grantor's personal responsibility, financial capability and control of the Property are material inducements upon which Beneficiary has relied in accepting the Note and Deed of Trust from Grantor. If Grantor should sell, assign, (including assignment(s) made for the benefit of creditors, assignment(s) to receiver(s) or assignment(s) in bankruptcy proceedings) alienate, encumber, transfer title to or possession of any part of the secured property, whether by deed of trust, mortgage or other transfer or conveyance or encumbrance agreement, or if there is a change in the voting control of Grantor (if Grantor is a corporation) or if the Property is abandoned by Grantor, the entire principal balance of the Note, plus interest at the Default Rate, shall be immediately due and payable. This Section shall not apply to assignments to the heirs, Beneficiary or successors of Grantor in the event of the death or legal incompetency of Grantor provided that such assignees shall become personally liable on the Note which is secured by this Deed of Trust.

10. The term "Hazardous Substances" shall mean and refer to those substances defined as toxic or hazardous substances, pollutants, or wastes by applicable Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive matters. "Environmental Law" shall mean and refer to federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection. "Environmental Cleanup" shall mean and refer to any response action, remedial action, or removal action, as defined in Environmental Law. "Environmental Condition" shall mean and refer to a condition that can cause, contribute to, or other trigger an Environmental Cleanup.

Grantor shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances, or threaten to release any Hazardous Substances, on or in the Property. Grantor shall not do, nor allow anyone else to do, anything affecting the Property (a) that is in violation of any Environmental Law, (b) which creates an Environmental Condition, or (c) which, due to the presence, use, or release of Hazardous Substance, creates a condition that adversely affects the value of the Property. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintain the Property (including, but not limited to, hazardous substances in consumer products).

Grantor shall promptly give Beneficiary written notice of (a) any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Grantor

has actual knowledge, (b) any Environmental Condition, including, but not limited to, any spilling, leaking, discharge, release or threat of release of any Hazardous Substance, and (c) any condition caused by the presence, use or release of a Hazardous Substance which adversely affects the value of the Property. If Grantor learns, or is notified by any governmental or regulatory authority, or any private party, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Grantor shall promptly take all necessary remedial actions in accordance with Environmental Law. Nothing herein shall create any obligation on Beneficiary for an Environmental Cleanup.

11. In addition to any default under the covenants and agreements of this Deed of Trust, Grantor shall also be in default under this Deed of Trust if Grantor is in default of any of the provisions of the Note secured by this Deed of Trust.

12. At any time and from time to time, upon the written request of Beneficiary, Grantor will promptly and duly execute and deliver any and all such further instruments and documents as Beneficiary may deem advisable in order to obtain the full benefits of this Deed of Trust and the rights and powers herein contained.

13. Time is of the essence hereof.

14. This Deed of Trust shall inure to the benefit of and bind the heirs, legatees, devisees, administrators, executors, successors and assigns of Grantor and Beneficiary.

15. This Deed of Trust shall be governed by and construed in accordance with the laws of the State of Washington. Grantor and Beneficiary hereby irrevocably consent to the jurisdiction of the courts of the State of Washington, in the County where the subject property is located.

16. In the event of any conflict, claim or dispute between the parties hereto affecting or relating to the purpose or subject matter of this Deed of Trust, the prevailing party shall be entitled to receive from the non prevailing party all reasonable expenses, including but not limited to, attorney's fees and accounting fees actually incurred or expended including any appeals.

17. If any provision hereunder shall be determined to contravene or be invalid under the laws of the State of Washington, such contravention or invalidity shall not invalidate any other provisions of this agreement, but it shall be construed as if not containing the particular provision or provisions held to be invalid and all rights and obligations of the parties shall be construed and enforced accordingly.

18. If the Grantor shall sell, convey or alienate said Property, or any part thereof, or any interest therein, or shall be divested of his title or any interest therein in any manner or way, whether voluntarily or involuntarily, without the written consent of the Beneficiary being first had and obtained, Beneficiary shall have the right, at its option, to declare any indebtedness or obligations secured hereby, irrespective of the maturity date specified in any Note evidencing the



**Exhibit A**

**Legal Description of Property**

**PARCEL "A":**

Tract 2, Short Plat No. 28-74, approved July 22, 1974, recorded July 26, 1974, under Auditor's File No. 804144 and being a portion of the Southeast  $\frac{1}{4}$  of the Southeast  $\frac{1}{4}$  of Section 32, Township 36 North, Range 4 East, W.M.

Situate in the County of Skagit, State of Washington.

**PARCEL "B":**

A non-exclusive easement for access and utilities 60 feet in width as shown on the face of said Short Plat.

Situate in the County of Skagit, State of Washington.