



200212170020

Skagit County Auditor

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Return Address:

Hendricks – Bennett, PLLC
402 Fifth Avenue South
Edmonds, WA 98020

Grantor: Peter Andreas Pettersen & Michelle Ann Pettersen, husband and wife
Grantee: Ellinor Jean Pettersen, as her separate estate
Legal: Lot No. 52 of subdivision 4 RANCHO SAN JUAN DEL MAR, according to the recorded plat thereof in the office of the Auditor of Skagit County, Washington
Parcel No.: 3975-000-052-0002 & 3975-000-051-0102

DEED OF TRUST

THIS DEED OF TRUST made this 10 day of December, 2002, between GRANTORS, Peter Andreas Pettersen & Michelle Ann Pettersen, husband and wife, and the marital community composed thereof, and the property herein, whose address is 13244 Burrows View Lane, Anacortes, WA 98221 and CHICAGO TITLE INSURANCE COMPANY, a corporation, TRUSTEE, whose address is 3030 Hoyt Avenue, Everett, WA 98201, and Ellinor Jean Pettersen, as her separate estate, BENEFICIARY, whose address is c/o 319 N. 188th Street, Shoreline, WA 98133.

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

Parcel A:

Lot No. 52 of subdivision 4 RANCHO SAN JUAN DEL MAR, according to the recorded plat thereof in the office of the Auditor of Skagit County, Washington.

Parcel B:

The Southwesterly 10 feet of Lot 51, as measured at right angles to the Southwesterly line thereof, "Rancho San Juan Del Mar, Subdivision No. 4",

according to the plat recorded in Volume 6 of plats, pages 19 to 22 inclusive, records of Skagit County, Washington.

Together with that portion, if any, of vacated Rosario Road, as vacated under Commissioner's File Nos. 10766 and 12309, that has reverted to said premises by operation of law.

Parcel C:

That portion of Government Lot 3, Section 11, Township 34 North, Range 1 East, W.M., being also portions of vacated Rosario Road as vacated under Commissioner's File Numbers 10766 and 12309, being more particularly described as follows:

Beginning at the Southeasterly corner of Lot 52, "RANCHO SAN JUAN DEL MAR, SUBDIVISION NO. 4," according to the Plat recorded in Volume 6 of Plats, pages 19 to 22, inclusive, records of Skagit County, Washington; thence South 39° 38' 00" East along the Southeasterly projection of the Northeasterly line of said Lot 52, a distance of 95.28 feet to the Northwesterly Right-of-way line of the Rosario Road; thence South 45° 58' 00" West, along said Right-of-way, a distance of 47.13 feet to a point that bears South 40° 44' 00" East from the Southwesterly corner of said Lot 52; thence North 40° 44' 00" West, to the Southwest corner of said Lot 52, a distance of 87.40 feet; thence along the Southeasterly line of said Lot 52 in a Northeasterly direction an arc length of 50.01 feet to the TRUE POINT OF BEGINNING.

Parcel D:

That portion of Government Lot 3, Section 11, Township 34 North, Range 1 East, W.M. being also portions of vacated Rosario Road as vacated under Commissioner's File Numbers 10766 and 12309, being more particularly described as follows:

Any and all interest that the Grantor may have in vacated portions of Rosario Road that attach by operation of laws to the Southwesterly 10 feet of Lot 51 of "Rancho San Juan Del Mar, Subdivision No. 4," according to the plat recorded in Volume 6 of Plats, pages 19 to 22 inclusive, records of Skagit County, Washington as previously referred to in that certain Warranty Deed dated April 19, 1972, and recorded on April 21, 1972 under Skagit County Auditor's File No. 767274.

SUBJECT TO: RIGHT OF FIRST REFUSAL: --- In the event Peter Andreas Pettersen & Michelle Ann Pettersen convey the property described above for monetary value, they shall first offer said property to John Eric Pettersen or his assigns at a price equal to the average of three agreed upon appraiser's valuations less five percent (5%). The costs of the appraisals shall be shared equally between both parties. In the event, John Eric



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Pettersen declines to purchase the above described property, he shall record written notice of his waiver. In the event, John Eric Pettersen is deceased at the time the property is offered to him pursuant to this provision, a recorded death certificate shall serve as waiver of this First Refusal requirement.

which real property is not used principally for agricultural or farming purpose 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 Forty-Five Thousand Five Hundred and Fifty Dollars (\$245,550), in accordance with the terms of a promissory 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, 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 replacement value of any structure on the property secured by this Deed of Trust. In the event of an insurable event, any and all insurance proceeds shall be used to restore any and all structures on the property secured by this Deed of Trust.
4. To defend any action or proceeding purporting to affect the security hereof or the rights or power 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.



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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 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.

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 by 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 an 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 the sale as follows: (1) to the expense of the sale, including reasonable Trustee's fees and attorney fee; (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 its execution of this Deed of Trust, and such as he may have acquired thereafter. Trustee's deed shall recite the facts shown that the sale was conducted in compliance with all the requirements of law and that this Deed of Trust, which recital shall be



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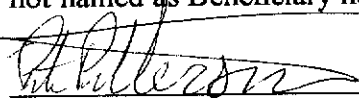
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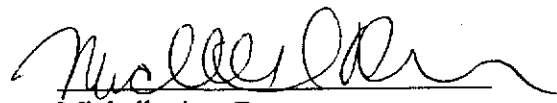
prima facie evidence of such compliance and conclusive evidence thereof in favor of bona fide purchaser and encumbrancers for value.

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 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.

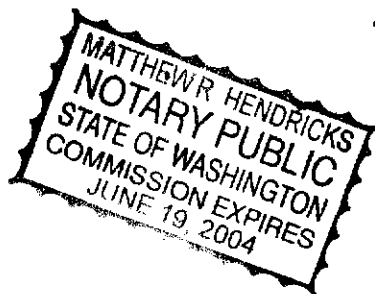

Peter Andreas Pettersen

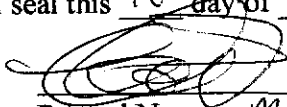

Michelle Ann Pettersen

STATE OF WASHINGTON)
COUNTY OF Skagit)ss

On this day personally appeared before me Peter Andreas Pettersen and Michelle Ann Pettersen to me known to be the individuals described in and who executed the within and foregoing instrument, and acknowledged that they signed the same as their free and voluntary act and deed, for the uses and purposes therein mentioned

GIVEN under my hand and official seal this 16th day of December 2002.




Printed Name: Matthew R. Hendricks
Notary Public in and for the State of
Washington, residing at Edmonds, WA
My appointment expires: 6/17/2004

