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POOR ORIGINAL

When recorded return to

J&J Dakota, LLC 3703 91st PL SE Everett, WA 98208

DEED OF TRUST

(For use in the State of Washington only)

THIS DEED OF TRUST, made this 2 day of February, 2015 between Grandview North LLC, a Washington Limited Liability Company as GRANTOR(S), whose address is 29 North Olympic Ave, Arlington, WA 98223, and First American Title Insurance Company, as TRUSTEE whose address is 1301 B Riverside Drive, Mount Vernon, WA, 98273 and J&J Dakota, LLC, a Nevada Limited Liability Company as BENEFICIARY, whose address is 3703 91st PL \$E, Everett, WA 98208.

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 \$kagit County, Washington:

Subject to the attached legal description made a part thereof, Exhibit "A" and Schedule "C

Parcel # 1776922 8-34-4

LPB 22-05(f) Page 1 of 5 Abbreviated Legal: (Required if full legal not inserted above.)

- (1) Parcel A of BLA 200704170179 Ptn. Of Tract 4 Sedro Acreage
- (2) Ptn. NW NW, Sec. 8, T34N, R4EWM

Tax Parcel Number(s):

Tax account number:

- (1) P76922, 4170-000-004-0101
- (2) 340408-2-010-0309 & 340408-2-010-0408

which real property is not used principally for agricultural or farming purposes, together with all the tenements, hereditaments, and appurtenances now or bereafter 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(s) herein contained, and payment of the sum of Three hundred ninety five thousand and no/100 Dollars (\$ 395,000.00) 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 his/her/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(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.

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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(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.

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(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 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 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 the interest in the property which Grantor(s) had or had the power to convey at the time of his/her/their execution of this Deed of Trust, and such as he/she/they 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 encumbrances 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 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.

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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. Grandview North LLC Ву Scott T Wammack, Managing Member STATE OF COUNTY OF I, the undersigned, a notary public in and for the State of Washington, hereby certify that on this of February, 2015, personally appeared before me Scott T Wannack, to me known or having presented satisfactory evidence to be, and on both stated that he/she is a Manager of Grandview North, LLC, the limited liability company that executed the foregoing instrument, and he acknowledged that said instrument to be the free and voluntary act and deed of said limited liability company for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the said instrument on behalf of the limited liability company and on behalf of the members in the limited liability company NOTARY PUBLIC, in and for the State of Washington My Appointment/Commission expires

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\$79.00 **7 10:39AM** LPB 22 05(1) Page 4 of 5 REQUEST FOR FULL RECONVEYANCE - Do not record. To be used only when note has been paid.

to: trusteè

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: | |
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EXHIBIT "A"

PARCEL A

The South 200 feet of the West 300 feet of that portion of the Northwest Quarter of the Northwest Quarter of Section 8, Township 34 North, Range 4 East of the Willamette Meridian, lying East of the East margin of the Old State Highway 99, now designated as Burlington Boulevard;

EXCERT that portion thereof lying Westerly of a line 40 feet East of and parallel with the West line of the Northwest Quarter of sald Section 8, conveyed to the City of Burlington by deed recorded under Auditor's File No. 8608250016, records of Skaglt County, Washington

Siluated in Skaglt County, Washington

PARCEL B:

The South 400 feet of the East 200 feet of the West 500 feet of that portion of the Northwest Quarter of Section 8, Township 34 North, Range 4 East of the Willamette Meridian, lying East of the East margin of Old State Highway 99, now designated as Burlington Boulevard;

EXCEPT the North 130 feet thereof.

Situated in Skagit County, Washington.

- END OF EXHIBIT "A"

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Schedule "C" Legal Description

The land referred to in this report/policy is situated in the State of Washington, County of Skagit, and is described as follows:

The North 105 feet of the South 180 feet of the East 115.5 feet of Tract 4, "SEDRO ACREAGE", as per plat recorded in Volume 3 of Plats, page 35, records of Skagit County, Washington.

TOGETHER WITH the West 96.5 feet of the East 212 feet of Tract 4, "SEDRO ACREAGE", as per plat recorded in Volume 3 of Plats, page 35, records of Skagit County, Washington.

EXCEPT the Northerly 20 feet as conveyed to the City of Sedro Woolley under Auditor's File No. 199911190064, records of Skagit County, Washington.

AND EXCEPT the East 10 feet as conveyed to the City of Sedro Woolley under Auditor's File No. 9809280129, records of Skagit County, Washington.

AND EXCEPT the South 66.70 feet of the North 86.70 feet of the West 41.50 of the East 212 feet of Tract 4, "SEDRO ACREAGE", as per plat recorded in Volume 3 of Plats, page 35, records of Skagit County, Washington.

(Also known as Parcel A of Survey for Boundary Line Adjustment recorded April 7, 2007, under Auditor's File No. 200704170179.)

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