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12/31/2015 Page 1 of 6 1:13PM

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DEED OF TRUST
(For Use in the State of Washington Only)

Grantor:	GUMBO NURSERY, LLC, a Washington Limited Liability Company
Beneficiary:	PATRICIA E. STRAND & JUDY M. STRAND, a married couple
Trustee:	LAND TITLE & ESCROW COMPANY OF SKAGIT COUNTY
Abbreviated legal:	Section 19, Township 35, Range2; Ptn. Government Lot 2
Assessor's Tax Parcel Number's:	350219-0-029-0003 (P32939)

THIS DEED OF TRUST, made this 31st day of December, 2015, between GUMBO NURSERY, LLC, a Washington Limited Liability Company, whose address is 1720 Q Avenue, Anacortes, Washington 98221, LAND TITLE & ESCROW COMPANY OF SKAGIT COUNTY, **TRUSTEE**, whose address is P.O. Box 445, 111 East George Hopper Road, Burlington, Washington 98233 and PATRICIA E. STRAND and JUDY M. STRAND, a married couple, **BENEFICIARY**, whose address is 5638 Patricia Lane, Anacortes, Washington 98221.

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

Abbreviated legal description: Section 19, Township 35, Range2; Ptn. Government Lot 2
See attached Exhibit "A" for full legal description.

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 of the property.

This Deed of Trust is for the purpose of securing performance of each agreement of Grantor(s) herein contained in this Deed of Trust and One Million Two Hundred Thousand Dollars ($1,200,000) with interest, in accordance with the terms of a promissory note of even date herewith, payable to Beneficiary or order, and secured/guaranteed by Grantor, and all renewals, modifications and extensions of the note, and also such further sums as may be advanced or loaned by Beneficiary to Grantor(s), or any of the Grantor(s)' successors or assigns, together with interest thereon at the rate

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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 of the property, to complete any building, structure or improvement being built or about to be built on the property; to restore promptly any building, structure or improvement on the property 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 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 secured by this Deed of Trust 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 by this Deed of Trust 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. Beneficiary may pay the same, and the amount so paid, with interest at rate set forth in the note secured by this Deed of Trust, shall be added to and become a part of the debt secured in the 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.

_____ _____ _____ _____

Grantors (Initials) Beneficiary (Initials)

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IT IS MUTUALLY AGREED THAT:

8. 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.

9. 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.

10. 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 or 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.

11. 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 by this Deed of Trust 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.

12. 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.

13. 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.

14. 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 any 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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15. 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.

16. ADDITIONAL TERMS AND CONDITIONS: (check one)

a. ( ) NONE

OR

b. ( ) SUBJECT TO:

GUMBO NURSERY, LLC:

RANDALL T. BURGESS, Member

ALYSSA BURGESS, Member

STATE OF WASHINGTON)
) ss.
COUNTY OF SKAGIT)

On this day personally appeared before me RANDALL T. BURGESS and ALYSSA BURGESS, to me known to be Members/Managers of GUMBO NURSERY, LLC, a Washington Limited Liability Company, and acknowledged the said instrument to be the free and voluntary act and deed of said Members/Managers for the uses and purposes therein mentioned, and on oath stated that RANDALL T. BURGESS and ALYSSA BURGESS were authorized to execute said instrument on behalf of said Limited Liability Company.

GIVEN under my hand and official seal this 31ST day of December, 2015.

LAWRENCE A. PIRKLE
COMMISSION EXPIRES
NOTARY
PUBLIC
05-07-2019
STATE OF WASHINGTON

LAWRENCE A. PIRKLE

NOTARY PUBLIC in and for the
State of Washington
Residing at Mount Vernon
My Commission Expires: 5/7/19

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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 _____day of _____, _____.

_____

_____

Schedule "A-1" **143351-S**

DESCRIPTION:

That portion of Government Lot 2, Section 19, Township 35 North, Range 2 East, W.M., described as follows:

Beginning at a point on the North side of 18th Street produced in the City of Anacortes, Skagit County, Washington, according to the original plat of said City on file and of record in the Office of the Auditor of Skagit County, Washington, and 90.00 feet East of the East line of Commercial Avenue;
thence running South 180.00 feet;
thence running East 85.00 feet;
thence running North to the West line of the right of way of the Seattle and Montana Railway (now Great Northern Railroad);
thence running Northwesterly along the said right of way to a point due East of the place of beginning;
thence West to the point of beginning.

EXCEPT that portion described as follows:

Beginning at the intersection of the North line of 18th Street, if produced Easterly from 18th Street as shown on the plat of "City of Anacortes", according to the plat recorded in Volume 2 of Plats, page 4, records of Skagit County, Washington, and the East line of Commercial Avenue;
thence North along the East line of Commercial Avenue, 63 feet;
thence East parallel with the North line of 18th Street produced, a distance of 70.00 feet;
thence South parallel with the East line of Commercial Avenue, 63.00 feet to the North line of 18th Street produced;
thence West along the North line of 18th Street produced, a distance of 70.00 feet to the point of beginning.

AND EXCEPT that portion conveyed to the City of Anacortes by instrument recorded May 12, 1999, under Skagit County Auditor's File No. 9905120020.

(The above described property delineated as a portion of that Survey filed in Volume 15 of Surveys, pages 45 and 46, and recorded December 1, 1993, under Auditor's File No. 9312010077, all records of Skagit County, Washington).

Situate in the County of Skagit, State of Washington.

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