

After recording return to:

Ambleside Lending, LLC
P.O. Box 2231
Everett, WA 98213



Skagit County Auditor
6/20/2017 Page

1 of

\$79.00

6 1:37PM

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DEED OF TRUST

(For use in the State of Washington only)

THIS DEED OF TRUST, made this 17th day of January, 2017, between
MONTREAU, INC, a Washington corporation GRANTOR, whose address is P.O. Box
2231 Everett, WA 98213,

JAMES J. JAMESON, TRUSTEE, whose address is 3409 McDougall Avenue, Suite 100,
Everett, WA 98201, and

AMBLESIDE LENDING, LLC, beneficiary, whose address is P.O. Box 2231, Everett,
WA 98213.

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

LEGAL DESCRIPTION SEE ATTACHED EXHIBIT A

Abbreviated Legal: Ptn Tract D, Skagit County SP No. MV-20-81
and Tract 302 Eaglemont PH IC

Assessor's Property Tax Parcel/Account Numbers: P116371, P27545

which real property is not used 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 purposes of securing performance of each agreement of Grantor
herein contained, and payment of the sum of SIX MILLION THREE HUNDRED
THOUSAND AND NO/100 DOLLARS (\$6,300,000.00) with interest, in accordance
with the terms of a promissory note of even date herewith, payable to Beneficiary or

order, and made by Grantor, and all renewals, modifications, and extensions thereof, and all 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 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.
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 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.

IS MUTUALLY AGREED THAT:

1. In the event that 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 the 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 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 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 on this Deed of Trust, which recital shall be prime 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, 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 and other Deed of Trust or of an 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, legates, 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.

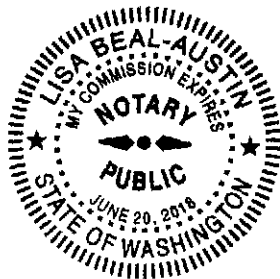
MONTREAUX, INC.

By: [Signature]
Its: President

STATE OF WASHINGTON)
)
COUNTY OF SNOHOMISH)

Before me personally appeared H. Lee Johnson, to me known to be the President of Montreaux, Inc., the Corporation that executed the foregoing instrument and acknowledged that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the said instrument.

GIVEN under my hand and official seal this 17th day of January, 2017.



[Signature]
NOTARY PUBLIC in and for the
State of Washington,
Residing at: Snohomish, WA
My Commission Expires: 6/20/18

EXHIBIT "A"
Legal Description

For APN/Parcel ID(s): P27545 / 340422-3-009-0336 and P116371 / 4744-000-302-0000

PARCEL A:

That portion of Tract D of CITY OF MOUNT VERNON SHORT PLAT NO. MV-20-81, approved October 27, 1981 and recorded October 28, 1981 in Volume 5 of Short Plats, page 139, under Auditor's File No. 8110280008, records of Skagit County, Washington, and that portion of Tract D of City of Mount Vernon Short Plat No. MV-1-83, approved April 26, 1983, and recorded April 27, 1983, in Volume 6 of Short Plats, page 58, under Auditor's File No. 8304270013, records of Skagit County, Washington, lying Southerly of that certain tract of land conveyed to the M.R. Nilson Construction, Inc., a Washington corporation, by deed dated April 29, 1985, and recorded May 1, 1985, under Auditor's File No. 8505010024, records of Skagit County, Washington, in Volume 600 of Official Records, page 365; and lying Southerly of the Westerly extension of the South line of Tract "A" of Short Plat No. MV-1-83; all of said portions being in the Southwest Quarter of Section 22, Township 34 North, Range 4 East of the Willamette Meridian;

EXCEPT East Broadway Street;

AND EXCEPT South Waugh Road;

AND ALSO EXCEPT a portion of Tract D of Short Plat No. MV-20-81 and a portion of Tract D of Short Plat No. MV-1-83, more particularly described as follows:

Beginning at the Southwesterly corner of Lot 8, TIMBERLINE DIVISION NO. 1, according to the plat thereof recorded in Volume 14 of Plats, page 15, records of Skagit County, Washington;
Thence South 89°12'57" East, along the South line of said plat and along the South line of the plat of Timberline Division 3, according to the plat thereof recorded in Volume 13 of Plats, page 79, and along the South line of Tract C of said Short Plat No. MV-1-83, a distance of 1,015.29 feet to the Southeast corner of said Tract C;

Thence South 0°22'09" West along the East line of Tract D of said Short Plat No. MV-1-83 and said East line extended, a distance of 925.77 feet;

Thence South 0°54'14" West, a distance of 30.00 feet to a point on a curve to the left having an initial tangent bearing of North 89°05'46" West, and a radius of 400.00 feet;

Thence along said curve through a central angle of 20°24'19" and an arc length of 142.46 feet to a point of tangency;

Thence South 70°29'55" West, a distance of 145.36 feet;

Thence South 19°30'05" East, a distance of 30.00 feet to a point on a curve to the right having an initial tangent bearing of South 70°29'55" West and a radius of 430.00 feet;

Thence along said curve through a central angle of 16°06'07" and an arc length of 120.84 feet to a point of tangency;

Thence South 86°36'02" West, a distance of 15.00 feet to the point of curvature of a curve to the left having a radius of 25.00 feet;

Thence along said curve through a central angle of 90°00'00" and an arc length of 39.27 feet;

Thence South 86°36'02" West, a distance of 60.00 feet to a point on a curve to the left having a radius of 25.00 feet and an initial tangent bearing of North 3°23'58" West;

Thence along said curve through a central angle of 90°00'00" and an arc length of 39.27 feet to its point of tangency;

Thence South 86°36'02" West, a distance of 15.00 feet to the point of curvature of a curve to the right having a radius of 680.00 feet;

EXHIBIT "A"

Legal Description (continued)

Thence along said curve through a central angle of $6^{\circ}01'04''$ and an arc length of 71.42 feet;
Thence North $2^{\circ}37'06''$ East, a distance of 30.00 feet to a point on a curve to the right having a radius of 650.00 feet and an initial tangent bearing of North $87^{\circ}22'54''$ East;
Thence along said curve through a central angle of $12^{\circ}20'42''$ and an arc length of 140.05 feet to its point of tangency;
Thence North $75^{\circ}02'12''$ West, a distance of 155.91 feet to the point of curvature of a curve to the left having a radius of 300 feet;
Thence along said curve through a central angle of $14^{\circ}38'57''$ and an arc length of 76.70 feet;
Thence North $89^{\circ}41'09''$ West, a distance of 55.00 feet;
Thence North $0^{\circ}18'51''$ East, a distance of 1,000.00 feet to the point of beginning of this description;

AND FURTHER EXCEPT that portion thereof platted as "MONTREUX PHASE 1", by plat recorded as Auditor's File No. 200707230124.

Situated in Skagit County, Washington.

PARCEL B:

Tract 302, EAGLEMONT PHASE 1C, according to the plat thereof recorded February 1, 2000, under Auditor's File No. 200002010036, records of Skagit County, Washington.

Situated in Skagit County, Washington.