



201805070158

05/07/2018 03:14 PM Pages: 1 of 12 Fees: \$88.00
Skagit County Auditor

Return Address:

Jonathan R. Moore
Montgomery Purdue Blankinship & Austin PLLC
5500 Columbia Center
701 Fifth Avenue
Seattle, WA 98104-7096

Land Title
167465

DEED OF TRUST

Reference Number(s) of related document(s): N/A

Grantor: ROEBKE-HEDGCOCK JOINT RENTAL L.L.C.

Grantees: FREDERIC ROEBKE and ANDREW J. HEDGCOCK IV, trustees of the
Rose R. Volker Trust established in Missouri under Trust Agreement dated
January 18, 1957 and
STEWART TITLE COMPANY

Legal Description (abbreviated): Lots 1-16, Ptn Lot 17, Blk 4, White's 1st Add. to
Anacortes. TGW Ptn Vacated Alley.

Full legal(s) on page/exhibit A.

Assessor's Tax Parcel ID Number: P60589.

This Deed of Trust is entered into on this 4th day of May, 2018 by and among Roebke-Hedgcock Joint Rental L.L.C., a Washington limited liability company, whose mailing address is 3213 W. Wheeler #402, Seattle, WA 98199 (herein "Borrower"), Stewart Title Company whose mailing address is 1420 5th Ave #440, Seattle, WA 98101 (herein, "Trustee"), and Frederic Roebke and Andrew J. Hedgcock IV, trustees of the Rose R. Volker Trust established in Missouri under Trust Agreement dated January 18, 1957, whose mailing address is c/o Martin Nelson & Company, 1500 Westlake Ave. N., Suite 200, Seattle, WA 98109 (herein "Lender").

Borrower hereby irrevocably grants, bargains, sells and conveys to Trustee in trust, with power of sale, the real property in Skagit County, Washington, legally described on *Exhibit A*, which is attached hereto and incorporated herein by reference, together with all interest and estate therein that Borrower may now own or hereafter acquire, and together with all the rents, issues and profits therefrom, however evidenced or manifested, and all appurtenances, fixtures, attachments, irrigation equipment, tenements, privileges, minerals, including without limitation oil and gas, upon and under the property and all mineral rights and reservations pertaining thereto, irrigation and water rights and all permits, certificates and shares evidencing the same; and hereditaments, now or hereafter belonging or appertaining to the property.

{16623/001/01603897-5}

This Deed of Trust shall secure:

- (a) Any and all indebtedness of Borrower evidenced by that certain Demand Promissory Note in the principal amount of \$1,400,000 of even date herewith, executed by Borrower ("Note");
- (b) the payment of all other sums, with interest thereon, including reasonable attorneys' fees, advanced or incurred by Lender in accordance with the Deed of Trust to protect, preserve, enforce or realize upon Lender's interest in the property; and
- (c) the performance of Borrower's covenants and agreements contained herein and in obligations of Borrower upon all other related agreements including the Loan Agreement, any supplemental agreements, and any guaranty (hereinafter collectively referred to as the "indebtedness").

Borrower further covenants and agrees with Lender as follows:

1. Performance of Obligations Secured. Borrower agrees to promptly pay when due the principal and interest on the indebtedness secured by this Deed of Trust. Borrower shall further perform fully and in a timely manner all other obligations of Borrower contained in the Loan Agreement, the Note, or any other related agreement between Borrower and Lender.
2. Loan Purpose. The property subject to this Deed of Trust is not used principally or primarily for agricultural or farming or for personal, family or household purposes.
3. Fee Simple. Borrower is lawfully seized in fee simple of the property conveyed herein and owns outright every part thereof.
4. Liens. Borrower agrees to keep the property free from statutory liens, governmental liens, and any and all other involuntary liens or encumbrances of any kind, without the prior express written consent of Lender. Upon Borrower discovering that a lien or other monetary encumbrance has been placed against the property, it shall immediately provide Lender with written notice of such encumbrance along with a copy of the lien or other encumbrance. In the event Borrower desires to place a voluntary security interest on the property, Borrower agrees to obtain the prior written consent of the Lender and a failure to do so shall constitute a default of this Deed of Trust and the Note. Any default under

approved secondary financing shall constitute a default under this Deed of Trust.

5. Preservation and Maintenance of Property. Borrower agrees to keep the property in good condition and repair, provided that this restriction shall not limit Borrower's ability to remodel or replace any existing buildings, structures, or improvements on the property; to permit no waste thereof; to restore promptly any building, structure, or improvements thereon which may be damaged or destroyed; and to comply will all laws, ordinances, regulations, covenants, conditions and restrictions respecting the property or the use thereof and to pay all fees or charges of any kind in connection with the property.
6. Taxes and Other Items. Borrower agrees to pay, before such are delinquent and to the proper officials, all taxes, assessments of every description, fines and other charges attributable to the property which may attain a priority over this Deed of Trust by making payment, when due, directly to the party entitled to the payment. Borrower shall promptly furnish to Lender copies of all notices of amounts due under this paragraph. In the event Borrower shall make payment directly to the party entitled to the payment, Borrower shall provide to Lender upon its request receipts of proper officers evidencing such payments. In addition Borrower shall pay, when due, all charges for water, water delivery, gas, electric power and light, sewers and waste removal. Borrower may contest in good faith the validity or amount of any tax, assessment or governmental charge by appropriate proceedings as provided by law, and Borrower covenants that upon final determination with respect to any such contested tax, assessment or governmental charges, Borrower will promptly pay any sums to be due thereon.
7. Insurance. Borrower shall maintain insurance on the property, together with any improvements thereon, insuring against any loss by fire, hazards, or any other casualties or contingencies as may be reasonably required from time to time by Lender in an amount not less than the amount carried by Lender at the time of purchase. The insurance shall be in such reasonable amounts and for such periods of time as Lender may designate. In the event of loss or destruction of any improvements on the property, the proceeds from such insurance shall be utilized by Borrower to repair and/or rebuild such improvements. Copies of all policies shall be provided to the Lender upon request, and the policies shall be in such companies as the Lender may reasonably approve and have loss payable first to the Lender, as its interest may appear, and then to the Borrower.

The Lender shall also be named as an Additional Insured on the Borrower's policy. In the event of foreclosure, all rights of the Borrower in insurance policies then in force shall pass to the purchaser at the foreclosure sale. In case the Borrower fails to make any payment herein provided (including, but not limited to, any taxes, assessments, insurance premiums, liens, encumbrances, or other charges against the property hereinabove described), or to maintain insurance as herein required, the Lender may make such payment or effect such insurance, and any amounts so paid by the Lender, together with interest at the Default Rate stated in the Note thereon from date of payment until repaid, shall be repayable by Borrower on Lender's demand, all without prejudice to any other right the Lender might have by reason of such default. The amounts so paid, with interest as aforesaid, shall be added to and become a part of the debt secured in this Deed of Trust.

8. Attorney Fees. Borrower agrees to defend any action or proceeding purporting to affect the security hereof or the rights or powers of Lender 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. Borrower agrees to pay to Lender any and all costs and expenses, including attorney's fees, incurred or paid by Lender in protecting or enforcing its rights under the terms of this Deed of Trust whether or not a lawsuit is commenced. Borrower also agrees to pay all costs, fees and expenses incurred by the Trustee or the Trustee's attorney incurred in connection with enforcing this Deed of Trust and the obligation incurred thereby, as provided by statute, or this Deed of Trust, or the Note.
9. Reasonable Entry. Lender may make or cause to be made reasonable entries upon and inspections of the property, provided that Lender shall give Borrower notice prior to any such inspections.
10. Eminent Domain. 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 Lender to be applied to said obligation.
11. Condemnation Awards. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of the property, or part thereof, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid directly to Lender. In the event of a partial or total condemnation or other taking of the

property, the proceeds shall be applied to the indebtedness secured by this Deed of Trust, with the excess, if any, paid to Borrower. Unless otherwise agreed in writing by Lender, any such application of proceeds to the indebtedness secured by this Deed of Trust shall not extend or postpone the due date of the regular installment payments provided for by the terms of the Note or any other indebtedness secured by this Deed of Trust.

12. Extension; Renewal; Modification. Borrower agrees that if Lender extends, renews or modifies the terms of any indebtedness secured by this Deed of Trust or if Lender releases any other security securing such indebtedness, any and all such extensions, renewals, modifications or releases shall not operate to release, discharge or diminish the liability of Borrower for all indebtedness secured by this Deed of Trust.
13. Due on Sale. Borrower understands that the loan which this Deed of Trust secures (1) is personal to Borrower or to any successor in interest approved by Lender, and (2) Borrower's personal responsibility and control of the real property is a material inducement to the Lender to make the loan. If, without the prior written consent of the Lender, which Lender may withhold in its sole discretion, title to or control of the property shall pass from Borrower, by deed, or, without Lender's prior written consent, that Lender agrees to not unreasonably withhold, there is a transfer of any ownership units in the Borrower to an individual or entity not a unit holder in the Borrower on the date this document is executed, or the property shall be sold on contract, irrespective of whether such change in title or control affects the risk of Lender, it shall constitute a default under the Deed of Trust and the Note and the Lender may treat such transfer as a default by Borrower and declare the entire unpaid balance of the Note, immediately due and payable and resort to the remedies provided for in this Deed of Trust and the Note.
14. Security Agreement. Borrower hereby agrees that this Deed of Trust shall also be construed as a security agreement under Article Nine of the Washington Uniform Commercial Code. At Lender's request, Borrower agrees to execute and deliver such financing statements as Lender may require to perfect its security interest under the Uniform Commercial Code.
15. Default Events. The following shall be "Events of Default" under this Deed of Trust: (a) Default in the payment or performance, when due or payable, of any indebtedness secured by this Deed of Trust; (b) Breach by Borrower of any representation, covenant or warranty contained in this

Deed of Trust or any other agreement, instrument or document affected or secured by this Deed of Trust; (c) The making by Borrower of any material misrepresentation to Lender for the purpose of obtaining credit or an extension of credit; (d) The issuance of any injunction, attachment, garnishment or levy against any property of the Borrower; (e) without Lender's prior written consent, that Lender agrees to not unreasonably withhold, there is a transfer of any ownership units in the Borrower to an individual or entity not a unit holder in the Borrower on the date this document is executed; or (f) The insolvency of Borrower, an admission by Borrower in writing of Borrower's inability to pay Borrower's debts as they mature or the institution by or against Borrower of any bankruptcy, insolvency, reorganization, debt arrangement, liquidation, dissolution or receivership proceeding.

16. Default Remedies. Upon the happening of any of the above events of default, Lender shall have, in addition to all other rights and remedies at law or in equity, the following rights and remedies: (a) To declare any and all indebtedness secured by this Deed of Trust to be immediately due and payable with written notice of the action required to cure the default; (b) To apply for, with 60 days' notice to Borrower, to file a suit to enforce or preserve its rights under this Deed of Trust, for the appointment of receiver, without bond, to take possession of the property and the rents, issues, profits and proceeds affecting the property; (c) To cause foreclosure of this Deed of Trust (i) non-judicially under the State of Washington Deed of Trust statutes; (ii) as a mortgage under RCW Chapter 61.12 et seq.; (iii) under Article Nine of the Washington Uniform Commercial Code; (d) All the other rights and remedies provided for in this Deed of Trust.
17. Receivership. Borrower hereby expressly agrees that in the event of a Default in the Note, after notice as provided therein and so long as such default remains uncured for a period of sixty (60) days after such notice, Lender shall have the right to apply to the King County Superior Court of the State of Washington for appointment of a Receiver under Chapter 7.60 of the Revised Code of Washington. The Receiver shall have the right to collect the income from the Property and to make the payments on the Note, pay any real or personal property taxes or assessments when due and to pay insurance premiums or renewals thereof. Taxes and insurance shall be paid first, then the payments on the Note. After the payment of all said items, the Receiver shall pay the excess so collected to the Borrower. Said Receivership shall be terminated when the Note is no longer in default, and at such time, the Receiver shall immediately restore to Borrower all

rights and power hereinabove granted to Receiver, notwithstanding the fact that the Receiver has then not yet submitted a final accounting nor been discharged by order of court. The application for or appointment of said Receiver shall not affect or restrict the rights of Lender or Borrower to any remedies granted to Lender or Borrower in this Deed of Trust in the event of default by Borrower and is not intended to and shall not be construed to expand or enlarge the rights of Lender under any of the remedies granted to Lender in this Deed of Trust or by the statutes or decisions of the Courts of the State of Washington. In the event Lender institutes an action for a Receiver, Borrower agrees to pay reasonable attorneys' fees and all costs and expenses in connection with said action as approved by the Court.

18. Cumulative Rights. All rights and remedies of Lender provided for in this Deed of Trust are intended to be cumulative and not in substitution for any other right or remedy otherwise available to Lender.
19. Waiver of Right to Require Lender to Marshal or Foreclose. Borrower hereby expressly waives any right to require Lender to marshal, or to foreclose in the inverse order of alienation, any of the above described property or any other collateral securing Borrower's indebtedness to Lender.
20. Waiver or Modification. This Deed of Trust shall not be qualified or supplemented by course of dealing. No waiver or modification by Lender of any of the terms of this Deed of Trust shall be effective unless the waiver or modification is in writing and signed by Lender. No waiver or modification by Lender of any required performance or obligation of Borrower on any occasion shall be construed as a waiver of Lender's right to require strict performance of all the terms of this Deed of Trust on any future occasion.
21. Right to Prompt Payments. By accepting payment of any sum secured hereby after its due date, Lender 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.
22. Reconvey. Upon payment of all indebtedness secured by this Deed of Trust, Lender shall request Trustee to reconvey the property and shall surrender this Deed of Trust and all instruments evidencing the indebtedness secured by this Deed of Trust to the Trustee. Trustee shall

reconvey the property without warranty to the person legally entitled thereto. Such person shall pay all costs of reconveyance.

23. Power of Sale. Upon uncured default by Borrower in the payment of any indebtedness secured hereby or in the performance of any agreement contained herein, after written notice as provided for in the Note, all sums secured hereby shall become due and at the option of the Lender. In such event and upon written request of Lender, 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; (3) the surplus, if any, shall be distributed to the persons entitled thereto.
24. Delivery of Deed. 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 Borrower has 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.
25. Mortgage Remedy. 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; Lender may cause this Deed of Trust to be foreclosed as a mortgage.
26. Successor Trustee. In the event of the death, incapacity, disability, or resignation of Trustee, Lender 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 Borrower, Trustee or Lender shall be a party unless such action or proceeding is brought by the Trustee.

- 27. Notice. Any notice to Borrower provided for in this Deed of Trust shall be given by mailing such notice by certified mail addressed to Borrower at the property address or at such other address as Borrower may designate by written notice to Lender. Any notice to Lender shall be given by certified mail to Lender's address stated herein.
- 28. Time of Essence. Time is of the essence of the obligations of Borrower in this Deed of Trust and all conditions and covenants made herein by or applicable to Borrower.
- 29. Successors and Assigns. The covenants and agreements contained in this Deed of Trust shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Lender and Borrower. All covenants and agreements of Borrower shall be joint and several.
- 30. Severability. In the event any one or more of the provisions contained in this Deed of Trust shall for any reason be held to be invalid, illegal or unreasonable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Deed of Trust, but this Deed of Trust shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein, but only to the extent that it is invalid, illegal or unenforceable.
- 31. Governing Law. This Deed of Trust shall be governed by the laws of the State of Washington.

Executed as of the day and year first above written.

BORROWER

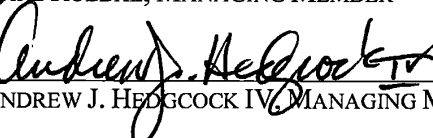
ROEBKE-HEDGCOCK JOINT RENTAL L.L.C.

BY:  MGR

 FREDERIC ROEBKE, MANAGING MEMBER

BY:  MGR

 KARL ROEBKE, MANAGING MEMBER

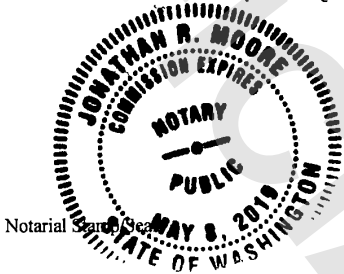
BY: 

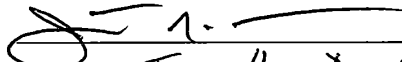
 ANDREW J. HEDGCOCK IV, MANAGING MEMBER

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that Frederic Roebke is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the managing member of Roebke-Hedgcock Joint Rental L.L.C. to be the free and voluntary act of such party for the uses and purposes stated therein.

Dated 5/4/2018

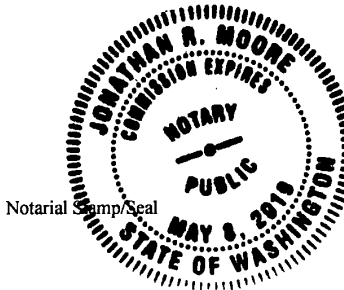


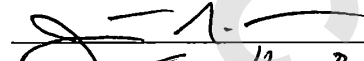

Name: Jonathan R. Moore
NOTARY PUBLIC, State of Washington
My appointment expires 5/8/2019

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that Karl Roebke is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the managing member of Roebke-Hedgcock Joint Rental L.L.C. to be the free and voluntary act of such party for the uses and purposes stated therein.

Dated 5/4/2018




Name: Jonathan R. Moore
NOTARY PUBLIC, State of Washington
My appointment expires 5/8/2019

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that Andrew J. Hedgcock IV is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the managing member of Roebke-Hedgcock Joint Rental L.L.C. to be the free and voluntary act of such pParty for the uses and purposes stated therein.

Dated 5/4/2018.



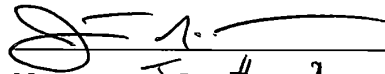

Name: Jonathan R. Moore
NOTARY PUBLIC, State of Washington
My appointment expires 5/8/2019

EXHIBIT A

The Property:

Lots 1 through 16, inclusive, and Lot 17, EXCEPT the East 6 feet thereof, Block 4, "WHITNEY'S FIRST ADDITION TO THE CITY OF ANACORTES," as per plat recorded in Volume 2 of Plats, page 32, records of Skagit County, Washington.

TOGETHER WITH a portion of vacated alley adjacent thereto which has reverted to said premises by operation of law.

Situate in the City of Anacortes, County of Skagit, State of Washington.