

RETURN TO:

Mission Investment Fund of the Evangelical  
Lutheran Church in America  
Attention: Amelia Dawkins  
8765 West Higgins Road  
Chicago, Illinois 60631



**201811060041**

11/06/2018 01:12 PM Pages: 1 of 10 Fees: \$109.00  
Skagit County Auditor

CHICAGO TITLE

020036127

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Document Title:	Deed of Trust
Grantor:	SALEM VILLAGE ONE LLC
Trustee:	FIDELITY NATIONAL TITLE COMPANY OF WASHINGTON, INC.
Beneficiary:	MISSION INVESTMENT FUND OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA
Abbreviated Property Description:	Lot(s): 2 AND PTN 3 SHORT PLAT NO. MV-8-94
Tax Parcel No.:	P24136/ 340408-0-013-0003
County and State:	Skagit County, Washington

## DEED OF TRUST

THIS DEED OF TRUST is made this 27<sup>TH</sup> day of SEPTEMBER, 2018, by and between SALEM VILLAGE ONE LLC, a Washington limited liability company, located at 3100 North 30<sup>th</sup> Street, No. 2, Mount Vernon, Washington 98273, (hereinafter called "Grantor"), FIDELITY NATIONAL TITLE COMPANY OF WASHINGTON, INC., a Washington corporation, located at 600 University Street, Suite 2424, Seattle, Washington 98101, (herein called "Trustee") and MISSION INVESTMENT FUND OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA, located at 8765 West Higgins Rd., Chicago, Illinois 60631, (herein called "Beneficiary").

WITNESSETH: Grantor does hereby irrevocably GRANT, BARGAIN, SELL AND CONVEY TO TRUSTEE IN TRUST, WITH POWER OF SALE, that property in Skagit County, Washington, described as shown on the attached Exhibit A (the "Property"), together with all the tenements, hereditaments, and appurtenances thereunto, 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 SEVEN HUNDRED TWENTY SIX THOUSAND DOLLARS (\$726,000.00), with interest, in accordance with the terms of a Promissory Note of even date herewith, payable to Beneficiary, and made by Grantor (the "Note"), and all renewals, modifications and extensions thereof, and such further sums as may be advanced or loaned by Beneficiary to Grantor, or any of its successors or assigns, together with interest thereon at such rate as shall be agreed upon.

Provided, however, that the making of such further loans, advances or expenditures shall be optional with Beneficiary, and provided, further, that it is the express intention of the parties to this Deed of Trust that it shall stand as continuing security until paid for all such advances together with interest thereon.

**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. If the Property shall be entitled to exemption from real property taxes, the Grantor shall maintain that exemption in effect.

3. The Grantor shall keep the buildings now or afterwards on the land insured in a sum equal to the highest insurable replacement value, both fire and extended coverage, to include vandalism and malicious mischief, with standard and customary mortgagee loss-payable clause endorsed on it, making such loss payable to the Beneficiary, its successors, legal representatives, or assigns; should the Beneficiary by reason of the insurance receive any sum of money for damage, that amount may be retained and applied by the Beneficiary toward payment of the debt secured by the Deed of Trust, or it may be paid over either wholly or in part to the Grantor for the repair of the buildings or for the erection of new buildings in their place, or for any other purpose of purposes satisfactory to the Beneficiary; and if the Beneficiary receives and retains insurance money for damage to the buildings, the lien on the Deed of Trust shall be affected only by a reduction by the amount of the insurance money so retained by the Beneficiary. The Grantor shall purchase and maintain adequate flood insurance on building(s) in a sum equal to the highest insurable replacement value as follows: (a) from the National Flood Insurance Program if said building(s) are located in a designated flood zone, or (b) from the standard insurance market if said building (s) are located in a non-flood zone. The insurance shall be issued by an insurance company or companies licensed to do business in the State of Washington, and a certificate(s) issued by the insurance company or companies confirming the form and content of such insurance shall be satisfactory evidence of such insurance.

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 herein 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 FURTHER MUTUALLY AGREED THAT:**

7. 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.

8. 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 extend the final due date for total payment, or to declare default for failure to so pay.

9. The Trustee shall reconvey all or any part of the property covered by this Deed of Trust to the person entitled hereto on written request of the Beneficiary, or upon satisfaction of the obligation secured and written request for reconveyance made by the Beneficiary or the person entitled thereto.

10. The principal amount of the Deed of Trust and any interest thereon shall become due and payable at the option of the Beneficiary upon Grantor's failure to cure any of the following within thirty (30) days of receipt of written notice of such default: (a) default in payment of any installments of principal and interest under the Note or this Deed of Trust, or (b) in the event Grantor shall, without the written consent of the Beneficiary, sell, transfer, or assign the real property and buildings which are the subject of this Deed of Trust, or (c) in the event Grantor grants or permits any mortgage or lien on this property other than this Deed of Trust, without the prior written consent of the Beneficiary, or (d) after the failure of the Grantor to comply with any other terms, conditions or covenants of this Deed of Trust or the Note. Notwithstanding anything else herein to the contrary, the entire unpaid balance of the principal sum and any interest due shall become due and payable at the option of the Beneficiary in the event the Grantor ceases to be a Social Ministry Organization in good standing with the Evangelical Lutheran Church in America.

Upon 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.

11. 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 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 purchasers and encumbrancers for value.

12. The power of sale conferred by this Deed of Trust is not an exclusive remedy; Beneficiary may cause this Deed of Trust to be foreclosed as a mortgage.

13. Assignment of rents. (a) Grantor hereby assigns to the Beneficiary the rents, issues and profits (as defined below, and herein called "Rents and Profits") of the premises as further security for the payment of said indebtedness. Grantor grants to the Beneficiary the right to enter upon and to take possession of the premises for the purpose of collecting the Rents and Profits and to rent out the premises or any part thereof, and to apply the Rents and Profits, after payment of all necessary charges and expenses, on account of said indebtedness. This assignment and grant shall continue in effect until this mortgage is paid.

(b) Subject to the provisions below, Beneficiary waives the right to enter upon and to take possession of said premises for the purpose of collecting the Rents and Profits, and Grantor shall be entitled to collect and receive the Rents and Profits, so long as there shall be no default under any of the covenants, conditions or agreements contained in this mortgage, and Grantor agrees to use the Rents and Profits in payment of principal and interest becoming due on this mortgage and in payment of taxes, assessments, sewer rents, water rates and carrying charges becoming due against said premises. However, the foregoing waiver by Beneficiary and the foregoing right of the Grantor may be revoked by Beneficiary upon any default, on five days= written notice. The Grantor will not, without the written consent of the Beneficiary, receive or collect rent from any tenant of said premises or any part thereof for a period of more than one month in advance. In the event of any default under this mortgage Grantor will pay monthly in advance to the Beneficiary, or to any receiver appointed to collect the Rents and Profits, the fair and reasonable rental value for the use and occupation of said premises or of such part thereof as may be in the possession of the Grantor, and upon default in any such payment will vacate and surrender the possession of said premises to the Beneficiary or to such receiver, and in default thereof may be evicted by applicable legal proceedings.

(c) For purpose of this paragraph, Rents and Profits shall include all rental and lease income derived from the renting or leasing of all or any part of the premises and received and entitled to be received by Grantor as owner and landlord of the premises. Rents and Profits shall also include all profits and license income or other income or profits received by or entitled to be received by Grantor for permitting the use of any portion of the premises, including without limitation income and profits from mineral rights, petroleum rights and similar rights, and income and profits from use of cell towers or other transmission and electronic facilities on or at the premises.

(d) *No further assignment.* Grantor shall not assign, pledge, or otherwise alienate

any Rents or Profits from the premises without the Beneficiary's prior written consent and any such attempted assignment, pledge, or alienation shall be subject and subordinate to the rights of the Beneficiary.

14. 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.

15. No building on the Property shall be altered, removed or demolished without the written consent of the Beneficiary.

16. The Grantor shall not obtain a line or lines of credit or borrow funds, whether secured or unsecured, in addition to the debt evidenced by this Deed of Trust, except with the prior written consent of the Beneficiary. However, credit incurred for the purchase of office or other equipment or similar items under an extended payment arrangement in the ordinary course of activities is permitted.

17. The execution of the Deed of Trust has been duly authorized by the Board of Directors or other governing body of the Grantor.

18. Information to be furnished by Grantor; further assurances. Grantor shall promptly furnish all financial and other information that the Beneficiary may request at any time. Grantor shall take all such further actions, and execute all such further documents and instruments, as Beneficiary may reasonably require to protect, perfect and maintain the interests of the Beneficiary in the mortgaged property.

19. Grantor to report adverse changes. Grantor shall promptly inform the Beneficiary regarding any material adverse change in the financial condition of Grantor or any event or condition which may have a significant negative impact on Grantor's ability to make timely payments on the loan or to comply with any conditions of the Note or the Deed of Trust.

20. The Beneficiary has recommended to Grantor that Grantor consult with its own legal counsel for review of this Deed of Trust and the Promissory Note prior to execution of these instruments. Grantor confirms that it has consulted its own legal counsel for this purpose or that it has had full opportunity to do so.

21. The Deed of Trust and the Note secured thereby shall be deemed made under the laws of the state of Washington and shall be governed and constructed by the laws of that state.

22. This Deed of Trust 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.

23. Use of Property. The Property is not used principally for agricultural purposes.

24. Grantor represents and warrants that, to the best of Grantor's knowledge, after due inquiry and investigation, (a) there are no Hazardous Materials (hereinafter defined) on the mortgaged Property, except those in compliance with all applicable federal, state and local laws, ordinances, rules and regulations, and (b) no owner or occupant nor any prior owner or occupant of the mortgaged Property has received any notice or advice from any governmental agency or any source whatsoever with respect to Hazardous Materials on, from or affecting the mortgaged Property. Grantor covenants that the mortgaged Property shall be kept free of Hazardous Materials, and neither Grantor nor any occupant of the mortgaged Property shall use, transport, store, dispose of or in any manner deal with Hazardous Materials on the mortgaged Property, except in compliance with all applicable federal, state and local laws, ordinances, rules and regulations. Grantor shall comply with, and ensure compliance by all occupants of the mortgaged Property with, all applicable federal, state and local laws, ordinances, rules and regulations, and shall keep the mortgaged Property free and clear of any liens imposed pursuant to such laws, ordinances, rules or regulations. In the event that Grantor receives any notice or advice from any governmental agency or any source whatsoever with respect to Hazardous Materials on, from or affecting the mortgaged Property, Grantor shall immediately notify Beneficiary.

Grantor agrees to indemnify, defend and hold Beneficiary harmless against and from any loss, liability or expense (including but not limited to reasonable attorneys' fees) arising out of any Environmental Liability relating to the Property. As used herein, "Liability" shall mean any claim, demand, obligation, cause of action, accusation, allegation, order, violation, damage, injury, judgment, penalty or fine, cost of enforcement, cost of remedial action, or any other cost or expense whatsoever, including but not limited to reasonable attorneys' fees and disbursements, resulting from the violation or alleged violation of any Environmental Law or from any Enforcement or Remedial Action (as hereinafter defined), but excluding any violation or Alleged violation, or Enforcement or Remedial Action with respect to Hazardous Materials or substances deposited on the Premises or negligently dealt with by the Beneficiary or any other party (excluding the Grantor) subsequent to the date (i) Beneficiary or any other party acquires the Property at foreclosure, by deed in lieu or otherwise, or (ii) Beneficiary or some other party claiming by or through Beneficiary has taken possession of the Property.

The following definitions shall apply to this Section:

(a) The term "Environmental Laws" shall mean all laws, ordinances, statutes, codes, rules, regulations, agreements, judgments, orders and decrees, now or hereafter enacted, promulgated or amended of the United States of America, the states, the counties, the cities or any other political subdivisions in which the Property is located, or any other political subdivision, agency or instrumentality exercising jurisdiction over the Property, the owner of the Property or the use of the Property, relating to pollution, the protection or regulation of human health, natural resources or the environment, or the emission, discharge, release or threatened release of pollutants, contaminants, chemicals or industrial toxic or hazardous substances or waste or Hazardous Materials into the environment (including without limitation, ambient air, surface water, ground water or land or soil).

(b) The term "Enforcement or Remedial Action" shall mean any step taken by any person or entity to enforce compliance with or to collect or impose penalties, fines, or other sanctions provided by any Environmental Law.

(c) The term "Hazardous Materials" as used in this Deed of Trust shall include, without limitation, gasoline, petroleum products, explosives, radioactive materials, polychlorinated biphenyls or related or similar materials, or any other substance or material defined as a hazardous or toxic substance or material by any federal, state or local law, ordinance, rule, or regulation.

The obligations of Grantor under this Paragraph shall survive any foreclosure hereof or any conveyance of the Property in lieu of such foreclosure, and any release of this instrument.

25. If any term or provision of this Deed of Trust is illegal or unenforceable, it will be severable from the remaining provisions of this Deed of Trust, and all remaining provisions of this Deed of Trust will remain in full force and effect.

***SIGNATURES ARE ON THE NEXT PAGE.***



SALEM VILLAGE ONE LLC

by Lori A. Lacey  
PresidentPrint name: Lori A Laceyby Nelson H. BenderPrint name: NELSON H. BENDERTitle: VICE PRESIDENT

## ACKNOWLEDGMENTS

STATE OF WASHINGTON )

ss.

COUNTY OF )

I certify that I know or have satisfactory evidence that Lori A. Lacey  
(President) and Nelson H. Bender (title) are the people who appeared before me, and  
said persons acknowledged that they signed this instrument, on oath stated that they were  
authorized to execute the instrument and acknowledged it as the President and  
Vice-President (title) of SALEM VILLAGE ONE LLC to be the free and voluntary act  
of such party for the uses and purposes mentioned in the instrument.

Dated: 9/27/2018Mary P. Lorente  
Notary PublicPrinted Name: Mary P. LorenteResiding at: Mount Vernon, WAMy appointment expires: 04-30-2021

**EXHIBIT A TO DEED OF TRUST  
PROPERTY DESCRIPTION**

Address(es) of property: 2619 North LaVenture Road, Mount Vernon, County of Skagit,  
Washington 98273

**For APN/Parcel ID(s): P24136/ 340408-0-013-0003**

Lot 2 of Short Plat No. MV-8-94, as approved July 1, 1997 and recorded July 1, 1997, in Book 13 of Short Plats, pages 17 and 18, records of Skagit County Washington, being in a portion of Government Lot 7, Section 8, Township 34 North, Range 4 East, W.M., TOGETHER WITH that portion of Lot 3 of said Short Plat, described as follows:

Beginning at the Northwest corner of said Lot 2; thence South 0 degrees 11' 21" West, along the West line of said Lot 2, also being the East line of said Lot 3, a distance of 229.71 feet to the Southwest corner of said Lot 2; thence North 87 degrees 57' 29" West, along the North line of a 60.00-foot wide utility and access easement as shown on said Short Plat, 53.64 feet; thence North 0 degrees 11' 21" East, 64.17 feet to the beginning of a curve to the right, having a radius of 88.00 feet; thence Northeasterly along the arc of said curve to the right, through a central angle of 21 degrees 40' 05", an arc distance of 33.28 feet; thence North 21 degrees 51' 26" East, 117.03 feet to the beginning of a curve to the left, having a radius of 50.00 feet; thence Northerly along the arc of said curve to the left, through a central angle of 21 degrees 40' 05", an arc distance of 18.91 feet; thence North 0 degrees 11' 21" East, 4.11 feet to a point which lies North 87 degrees 57' 29" West from said Northwest corner of Lot 2; thence South 87 degrees 57' 29" East, 0.64 feet to the POINT OF BEGINNING.

Situated in Skagit County, Washington.