

When recorded return to:

HMAJC, LLC
2440 W. Commodore Way, #200
Seattle, WA 98199



201908120102

08/12/2019 03:32 PM Pages: 1 of 6 Fees: \$109.50
Skagit County Auditor

02-171200-0E
Land Title and Escrow

DEED OF TRUST

Grantor: Guemes 6364, LLC
a Washington limited liability company

Grantee: HMAJC, LLC
a Washington limited liability company

Trustee: Land Title & Escrow of Skagit & Island County

Abbr.Legal: Lots 63 and 64, Block 6, "Holiday Hideaway No. 1"

Full legal on page 2
APNs: 3926-006-063-0006 and 3926-006-064-0005, PG6024, PG6025

When recorded return to:

HMAJC, LLC
2440 W. Commodore Way, Ste. 200
Seattle, WA 98199

DEED OF TRUST

(For use in the State of Washington only)

THIS DEED OF TRUST, made this 8 day of August, 2019, between Guemes 6364 LLC., a Washington Limited Liability Company as GRANTOR, whose address is 2440 W Commodore Way Suite 200, Seattle WA 98199 and Land Title and Escrow of Skagit & Island County as TRUSTEE, whose address is 3010 Commercial Avenue, Anacortes, Washington 98221, and HMAJC, LLC, a Washington limited liability company, as BENEFICIARY, whose address is 2440 West Commodore Way, Suite 200, Seattle, Washington 98199.

WITNESSETH: Grantor hereby bargain(s), sell(s), and convey(s) to Trustee in trust, with power of sale, the following described real property in Skagit County, Washington:

LOTS 63 AND 64, BLOCK 6, "HOLIDAY HIDEAWAY NO. 1", AS PER ~~PLAT~~^{Plat} RECORDED IN VOLUME 8 OF PLATS, PAGES 36 THROUGH 42, INCLUSIVE, RECORDS OF SKAGIT COUNTY, WASHINGTON.

TOGETHER WITH AND SUBJECT TO A NON-EXCLUSIVE EASEMENT FOR INGRESS, EGRESS AND UTILITIES ACROSS LOTS 62, 65, AND 66, BLOCK 6 OF SAID "HOLIDAY HIDEAWAY NO. 1" AND AS DELINEATED ON THE FACE OF SAID PLAT.

SITUATE IN THE COUNTY OF SKAGIT, STATE OF WASHINGTON.

Tax Parcel Numbers: P66024 3926-006-063-0006
P66025 3926-006-064-0005

which real property is not used principally for agricultural or farming purposes, together with all the fixtures, tenements, hereditaments, and appurtenances now or hereafter thereunto belonging or in any wise appertaining, and the rents, issues, and profits thereof. This Deed of Trust constitutes a financing statement filed as a fixture filing under the Washington Uniform Commercial Code, as amended or recodified from time to time, covering any Grantor which now is or later may become a fixture attached to the Land or any building located thereon.

Grantor grants to Beneficiary a security interest in, and pledges and assigns to Beneficiary, all of Grantor's right, title and interest now or hereafter acquired in and to all tangible personal property of every kind and description, whether stored on the real property or elsewhere, including, without limitation, all goods, materials, supplies, tools, books, records, chattels, furniture, fixtures, equipment, and machinery, and which in all cases is (i) principally used or useful or acquired in connection with any construction undertaken on the real property or the maintenance of the real property and the improvements, or (ii) affixed or installed, or to be affixed or installed, in any manner on the real property or the improvements; all water and water rights (whether riparian, appropriative, or otherwise, and whether or not appurtenant to the real property) and shares of stock pertaining to such water or water rights, ownership of which affect the real property; and all architectural and engineering plans, specifications and

drawings, and as-built drawings which arise from or relate to the real property or the improvements; all general intangibles and rights relating to the real property, including, without limitation, all permits, licenses and claims to or demands for the voluntary or involuntary conversion of any of the real property, improvements, or other real property into cash or liquidated claims, proceeds of all present and future fire, hazard or casualty insurance policies, whether or not such policies are required by Beneficiary, and all condemnation awards or payments now or later to be made by any public body or decree by any court of competent jurisdiction for any taking or in connection with any condemnation or eminent domain proceeding, and all causes of action and their proceeds for any breach of warranty, misrepresentation, damage or injury to, or defect in, the real property, improvements, or other real property or any part of them; and all substitutions, replacements, additions, accessions and proceeds for or to any of the foregoing, and all books, records and files relating to any of the foregoing, including, without limitation, computer readable memory and data and any computer software or hardware reasonably necessary to access and process such memory and data.

This Deed of Trust is for the purpose of securing performance of each agreement of Grantor contained in the Loan Agreement of even date herewith by ("Loan Agreement"), the payment of the sum of Seventy Five Thousand (\$75,000) with interest, in accordance with the terms of the Loan Agreement, this Deed of Trust, and the repayment of all advances, interest, and fees accordance with the terms of the Loan Agreement, and all renewals, modifications, and extensions thereof, and also such further sums as may be advanced or loaned by Beneficiary to Grantor, or any of Grantor's successor or assigns, together with interest thereon at such rate as shall be agreed upon.

DUE DATE: The entire balance under the Loan Agreement secured by this Deed of Trust, together with any and all interest accrued thereon, shall be due and payable in full in accordance with the terms of the Loan Agreement.

To protect the security of this Deed of Trust, Grantors covenant(s) and agree(s):

1. Except for the demolition and removal of existing structures and improvements to make way for Grantor's new improvements and construction, 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 other 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 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 the enforcement of this Deed of Trust following the Grantor's default under the Loan Agreement, 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 loan agreement secured hereby, shall be added to and become a part of the debt secured in this Deed of Trust.

7. DUE ON SALE. Except as otherwise provided by the Loan Agreement secured by this Deed of Trust and the demolition and removal of existing structures, no portion of the property described in this Deed of Trust may be sold, transferred, voluntarily or involuntarily, without the Beneficiary's written consent. Upon breach of this provision, Beneficiary may declare all sums due under the loan agreement and Deed of Trust immediately due and payable, unless prohibited by applicable law.

JH ac

Grantor's initials

ac

Beneficiary's initials

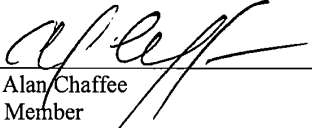
IT IS MUTUALLY AGREED THAT:

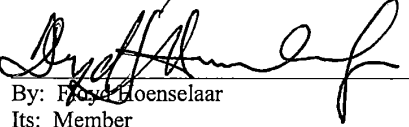
1. In the event any portion of the property is taken or damaged in an eminent domain proceeding, the entire amount of the award or such portion as may be necessary to fully satisfy the obligation secured by this Deed of Trust shall be paid to Beneficiary to be applied to said obligation.
2. By accepting 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.
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. Following Grantor's default under the Loan Agreement: Beneficiary may apply to any court of competent jurisdiction for, and obtain appointment of, a receiver for the property. Beneficiary, in person, by agent or by court-appointed receiver, may enter, take possession of, manage and operate all or any part of the property, and in its own name or in the name of Grantor sue for or otherwise collect any and all rents, including those that are past due, and may also do any and all other things in connection with those actions that Beneficiary may in its sole discretion consider necessary and appropriate to protect the security of this Deed of Trust. Such other things may include: entering into, enforcing, modifying, or canceling leases on such terms and conditions as Beneficiary may consider proper; obtaining and evicting tenants; fixing or modifying rents; completing any unfinished construction; and contracting for and making repairs and alterations. Grantor agrees to deliver to Beneficiary all books and records pertaining to the property, including computer-readable memory and any computer hardware or software necessary to access or process such memory, as may reasonably be requested by Beneficiary in order to enable Beneficiary to exercise its rights under this Paragraph. Beneficiary may bring an action in any court of competent jurisdiction to foreclose this instrument or to obtain specific enforcement of any of the covenants or agreements of this Deed of Trust.
5. Following Grantor's default under the Loan Agreement: Beneficiary may proceed under the Uniform Commercial Code as to all or any part of the personal property, and in conjunction therewith may exercise all of the rights, remedies and powers of a secured creditor under the Uniform Commercial Code. When all time periods then legally mandated have expired, and after such notice of sale as may then be legally required has been given, Trustee may sell the personal property at a public sale to be held at the time and place specified in the notice of sale. It shall be deemed commercially reasonable for the Trustee to dispose of the personal property without giving any warranties as to the personal property and specifically disclaiming all disposition warranties. Alternatively, Beneficiary may choose to dispose of some or all of the Property, in any combination consisting of both personal property and real property, in one sale to be held in accordance with the law and procedures applicable to real property, as permitted by Article 9 of the Uniform Commercial Code. Grantor agrees that such a sale of personal property together with real property constitutes a commercially reasonable sale of the personal property.

6. Upon default by Grantor in the payment of any indebtedness secured by this Deed of Trust or in the performance of any agreement contained in the loan agreement or in this Deed of Trust and the expiration of the applicable cure period (if any), all sums secured hereby shall immediately become due and payable at the option of the Beneficiary subject to any cure period provided in the loan agreement secured by this Deed of Trust. In such event and upon written request of Beneficiary, Trustee shall sell the trust property, either as a whole or in separate parcels, and in such order as Trustee may determine, 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. 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 had or had the power to convey at the time of the execution of this Deed of Trust, and such as Grantor 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.
7. 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. Beneficiary and Trustee shall be entitled to invoke any and all of the rights and remedies described herein, as well as any other rights and remedies authorized by law. All of such rights and remedies shall be cumulative, and the exercise of any one or more of them shall not constitute an election of remedies.
8. In the event of the 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 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.
9. 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 loan agreement secured hereby, whether or not named as Beneficiary herein.

Grantor:

Guemes 6364, LLC
a Washington Limited Liability Company


By: Alan Chaffee
Its: Member


By: Ryan Hoenselaar
Its: Member

[NOTARY BLOCK ON FOLLOWING PAGE]

STATE OF WASHINGTON)
) ss.)
COUNTY OF King)

I certify that I know or have satisfactory evidence that Alan Chaffee 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 Member of Guemes 6364 LLC to be the free and voluntary act of such company for the uses and purposes mentioned in the instrument.

DATED this 8 day of August, 2019.

[seal] LISA JEANNE DECK HALLMON
Notary Public
State of Washington
My Commission Expires
March 01, 2020

Lisa Jeanne Deck Hallmon
[sign name]
Lisa Jeanne Deck Hallmon
[print name]
NOTARY PUBLIC in and for Washington
Residing at 1801 N. 107th St #103 Seattle WA 98133
My commission expires: 3/1/20

STATE OF WASHINGTON)
) ss.)
COUNTY OF Skagit)

I certify that I know or have satisfactory evidence that Floyd Hoenselaar 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 Member of Guemes 6364 LLC to be the free and voluntary act of such company for the uses and purposes mentioned in the instrument.

DATED this 9th day of August, 2019.

[seal] DIANE M MILLS
NOTARY PUBLIC
STATE OF WASHINGTON
My Commission Expires May 9, 2021

Diane M Mills
[sign name]
Diane M Mills
[print name]
NOTARY PUBLIC in and for Washington
Residing at Milton
My commission expires: 5.09.21