

After recording return to:

Garth A. Schlemlein
 SCHLEMLEIN FICK & FRANKLIN, PLLC
 66 S. Hanford St., Suite 300
 Seattle, WA 98134

Please print or type information **WASHINGTON STATE RECORDER'S Cover Sheet** (RCW 65.04)

Document Title(s) (or transactions contained therein): (all areas applicable to your document must be filled in)

Deed of Trust

Reference Number(s) of Documents assigned or release:

Additional reference #'s on page _____ of document.

Grantor(s) (Last name first, then first name and initials)

1. PJR La Conner LLC

☐ Additional names on page _____ of document.

Grantee(s) (Last name first, then first name and initials)

1. McCaugherty, Theodore

2. First American Title Insurance Company

☐ Additional names on page _____ of document.

Legal Description

Lot 8, Block U, Map of LaConner, According to the Play thereof, recorded in volume 2 of Plats, Page 49, records of Skagit County, Washington, except the east half thereof. Situated in the county of Skagit, State of Washington

☐ Additional legal is on page _____ of document.

Assessor's Property Tax Parcel/Account Number

P74094, 4123-021-008-0101

☐ Assessor Tax # not yet assigned.

The Auditor/Recorder will rely on the information provided on the form. The staff will not read the document to verify the accuracy or completeness of the indexing information provided herein.

AFTER RECORDING MAIL TO:

Garth A. Schlemlein
Schlemlein Fick & Franklin, PLLC
Attention: Garth A. Schlemlein
66 S. Hanford Street, Suite 300
Seattle, WA 98134

DEED OF TRUST

THIS DEED OF TRUST (collectively "Deed of Trust" or "Deed") made this 10th day of February 2021 between PJR LaConner LLC, a Washington limited liability company, whose address is 918 South Horton Street, Suite 1000, Seattle, Washington and FIRST AMERICAN TITLE INSURANCE COMPANY Trustee, whose address is 10500 NE 8th Street, Suite 600, Bellevue, WA 98004 in trust for Theodore L. McCaugherty and/or its successors and assigns, Beneficiary, whose address is 911 N 145th Street, Suite 203, Seattle, WA 98133.

WITNESSETH: Grantor hereby bargains, sells, assigns and conveys:

A. To Trustee in trust, with power of sale, the following described real property ("Property") in Skagit County, Washington, described as:

See Exhibit "A" attached hereto and incorporated by this reference

which real property is not used principally for agricultural or farming purposes, together with all rents, income, contract rights, issues and profits which are due or may become due, all tenements, hereditament, and appurtenances now or hereafter thereunto belonging or in any wise appertaining, and the rents, issues and profits thereof, all amounts, compensation and settlements in lieu of taking of the Property by the power of eminent domain of the whole or the part of the Property.

B. To Beneficiary, as secured party, a security interest in any portion of the Real Property owned by Grantor which may be construed to be personal property and in all other

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personal property of every kind and description, whether now existing or hereafter acquired and owned by Grantor, now or at any time hereafter attached to, erected upon, situated in or upon, forming a part of or appurtenant to and which is used or useful in the construction or operation of or in connection with, or arising from the use or enjoyment of all or any portion of, or from any lease or agreement pertaining to, the Real Property.

This Deed of Trust is made in connection with a loan made by Lender to Urban Wittmann LLC, a Washington limited liability company in the principal amount of \$1,950,000.00 (the "Loan"), which Loan is evidenced by a Promissory Note of even date (as the same may be amended, supplemented, extended or replaced from time to time, the "Note"), made by Borrower in favor of Lender. The Note, this Deed of Trust and all other documents, instruments and agreements evidencing, securing, guaranteeing or otherwise governing the terms of the Loan, and any and all extensions, renewals, modifications, substitutions and amendments thereof are referred to, collectively, as the "Loan Documents."

To protect the security of the Deed of Trust, Grantor covenants and agrees:

1. To keep the property in good condition and repair consistent with the existing condition 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 defend any action or proceeding purported to affect the security thereof or the rights or power 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 foreclosure this Deed of Trust.
4. 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 attorneys' fees actually incurred, as provided by statute.
5. 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 for in the note secured hereby, shall be added to and become a part of the debt secured by this Deed of Trust.

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 thereof as may be necessary to fully satisfy the obligation secured hereby, shall be paid to Beneficiary to be applied to said obligation.

2. That this Deed of Trust secures real property that is not principally used for agricultural purposes.

3. 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.

4. The Trustees shall reconvey all or any part of the property covered by the 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.

5. Upon default by Grantor in 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 in the option of the Beneficiary. In such event and upon written request of the Beneficiary, Trustee or its authorized agent 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 sale, including a reasonable Trustee's fee and attorneys' fee; (2) to the obligation secured by this Deed of Trust; (3) the surplus, if any, shall be distributed to the persons entitled thereto.

6. Trustee shall delivery to the purchaser at the sale of the 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 encumbrances 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.

8. In the event of the death, incapacity or disability or resignation of Trustee, Beneficiary shall 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.

9. If foreclosure be made by Trustee, to the extent allowed by law, reasonable attorneys' fees for services in the supervision of foreclosure proceedings shall be allowed by Trustee as part of the costs of foreclosure. After deducting all costs, fees and expenses of Trustee and of this Deed of Trust, including cost of evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment of all sums expended under the terms hereof, not then repaid, with accrued interest at the Default Rate as herein provided; all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto.

10. If Beneficiary refers the Note to an attorney for collection or seeks legal advice following a default alleged in good faith under the Note; if Beneficiary is the prevailing party in any litigation instituted in connection with the Note; or if Beneficiary or any other person initiates any judicial or nonjudicial action, suit or proceeding in connection with the Note, the indebtedness evidenced thereby or the security therefor (including, but not limited to, an action to recover possession of the Property after foreclosure), and an attorney is employed by Beneficiary to (a) appear in any such action, suit or proceeding, or (b) reclaim, seek relief from a judicial or statutory stay, Grantor shall pay to Beneficiary all attorneys fees and costs incurred in connection with the above-mentioned events and any appeals related to such events, including but not limited to costs incurred in searching records, the cost of title reports, the cost of appraisals, and the cost of environmental surveys. If not paid within ten (10) days after such fees, costs and expenses become due and written demand for payment is made upon Grantor, such amount may, at Beneficiary's option, be added to the principal of the Note and shall bear interest at the Default Rate.

11. 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, legatees, administrators, executors, successors, legal representatives and assigns. The term Beneficiary shall mean the holder and owner of the note secured hereby, whether or not named as a Beneficiary herein.

ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, EXTEND CREDIT OR FORBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.

Dated this 10th day of February 2021

GRANTOR:

PJR LA CONNER, LLC, a Washington limited liability company



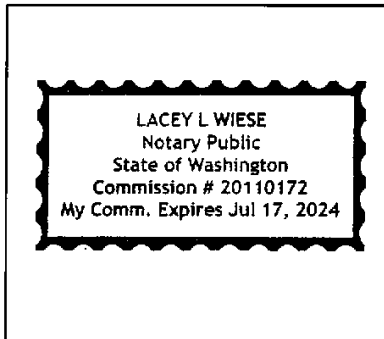
By: Patrick J. Reilly
Its: Manager

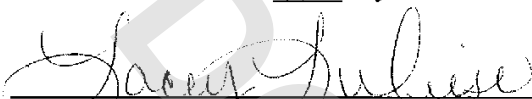
STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I have satisfactory evidence that the person appearing before me and making this acknowledgment is the person whose true signature appears on this document.

On this day personally appeared before me Patrick J. Reilly known to me to be Manager of PJR La Conner LLC, who is the individual who executed the within and foregoing instrument, and acknowledged that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 10th day of Feb, 2021.




Notary Public in and for the State of Washington,
residing at 1020 N. Mission St. Wen WA 9801
My commission expires: Jul 17 2024
Lacey L. Wiese
[Type or Print Notary Name]

(Use This Space for Notarial Seal Stamp)

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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 convey, without warranty, to the parties designated by the terms of said Deed of Trust, all the estate now held by you thereunder.

Dated _____, 20____.

Mail reconveyance to: FIRST AMERICAN TITLE INSURANCE COMPANY Trustee,
whose address is 10500 NE 8th Street, Suite 600, Bellevue, WA 98004

EXHIBIT "A"
LEGAL DESCRIPTION

LOT 8, BLOCK U, MAP OF LACONNER, ACCORDING TO THE PLAY THEREOF, RECORDED IN
VOLUME 2 OF PLATS, PAGE 49, RECORDS OF SKAGIT COUNTY, WASHINGTON, EXCEPT THE
EAST HALF THEREOF. SITUATED IN THE COUNTY OF SKAGIT, STATE OF WASHINGTON