

DEED OF TRUST

This space provided for recorder's use →

After recording return to:

Jeffrey Earl Powers & Debra Lynn Haase
4054 West Blakely Ave. NE
Bainbridge Island, WA 98110

**CHICAGO TITLE COMPANY
620051444**

Document

Title: DEED OF TRUST

Grantor: KENDALL SHAWN POWERS, a single man

Grantee (Trustee): Chicago Title Company of Washington, a
Washington corporation

Grantee (Beneficiary): JEFFRY EARL POWERS and DEBRA LYNN HAASE, a married couple

Abbreviated Legal

Description: LOT 3, SHORT PLAT NO. 94-013, SW 17-36N-4E, W.M., SKAGIT
COUNTY, WASHINGTON

Assessor's

Tax Parcel Number: P107772 / 360417-3-003-0200

Reference Numbers of
Document Assigned

or Released: [Not Applicable]

Note: This page is a cover sheet, attached pursuant to RCW 65.04.047, and is not a substantive portion of the instrument recorded herewith.

DEED OF TRUST

This DEED OF TRUST, is made by and among KENDALL SHAWN POWERS, a single man ("Grantor"), whose address is 1906 J. Street, Bellingham, Washington 98225, and CHICAGO TITLE COMPANY OF WASHINGTON, a Washington corporation ("Trustee"), whose address is 425 Commercial Street, Mount Vernon, Washington 98273, and JEFFRY EARL POWERS and DEBRA LYNN HAASE, a married couple (collectively, "Beneficiary"), whose address is 4054 West Blakely Ave. NE, Bainbridge Island, WA 98110.

For valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor, the Trustee and Beneficiary agree as follows:

1. Conveyance of the Property. Grantor hereby bargains, sells and conveys to Trustee in trust, with power of sale, the real property legally described on **Exhibit A** attached hereto (the "Land"), which Land is not used principally for agricultural or farming purposes, together with all existing and future: (a) tenements, hereditaments, and appurtenances to the Land, (b) leases, licenses, tenancies, concessions and occupancy agreements relating to the Land or its improvements, now or hereafter entered into (each a "Lease", and collectively, the "Leases"), (c) rents, royalties, issues, profits, bonus money, revenue, income, accounts receivable and other benefits (collectively, the "Rents") relating to the Land, (d) buildings, improvements, fixtures on and attachments to the Land, (e) judgments, awards of damages and settlements made as a result of or in lieu of any taking of the Land or any part thereof under eminent domain or similar authority, and (f) proceeds from the conversion, voluntary or involuntary of any of the foregoing, including without limitation insurance proceeds (collectively, the "Property").

2. Obligations Secured. This Deed of Trust secures performance of Grantor's agreements contained in this Deed of Trust, and full payment of all sums under, and timely and complete performance of all agreements and obligations contained in, that certain Promissory Note, of even date herewith, between Grantor and Beneficiary in the principal amount of \$400,000.00 (the "Note"), and any other agreement or instrument executed by Grantor in favor of Beneficiary and securing the amounts evidenced by the Note (collectively, the "Security Instruments"), and all renewals, modifications and extensions of any of the foregoing, and also such further sums as may hereafter be advanced or loaned by Beneficiary to Grantor, or any of their successors or assigns, together with interest thereon at such rate as may be provided in the foregoing documents.

3. Protection of the Property. Grantor will: (a) keep the Property in good condition and repair, (b) cause or permit no waste, damage or destruction of or to the Property, (c) maintain, preserve, repair and protect all buildings, structures, fixtures or improvements currently or in the future located on the Property, (d) restore promptly any building, structure, fixture or improvement on the Property that may be damaged or destroyed, for any cause whatsoever, and (e) use, improve and operate the Property in full compliance with all City, County, State or Federal statutes, codes, ordinances, regulations and other laws, as well as all covenants, conditions and restrictions affecting the Property.

4. Payment of Taxes. Grantor will pay before delinquent all lawful taxes, charges and assessments upon the Property, and provide Beneficiary with written proof of all such payments promptly after making each such payment. Grantor will also keep the Property free and clear of all other charges, liens or encumbrances, of any nature, that could under any circumstances be or become senior to the security of this Deed of Trust.

5. Insurance. Grantor will keep all buildings now or hereafter existing or erected on the Property continuously insured against loss by fire, earthquake and all other hazards in an amount not less than the full replacement value of all such buildings, at no cost to Beneficiary. All policies will be with such companies as the Beneficiary may reasonably approve and will have loss payable first to the Beneficiary as their interest may appear and then to the Grantor. The amount collected under any insurance policy may be applied to any indebtedness hereby secured in such order as the Beneficiary will determine, in their sole discretion. Such application by the Beneficiary will 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 will pass to the purchaser at the foreclosure sale. This Deed of Trust shall be deemed to be an assignment for security purposes to Beneficiary of all such insurance proceeds.

6. Defense of Actions. Grantor will defend any action or proceeding purporting to affect the security provided by this Deed of Trust or the rights or powers of Beneficiary or Trustee under this Deed of Trust, and will pay all costs and expenses, including cost of title search and attorneys' fees in a reasonable amount, in any such action or proceeding, and in any suit brought by Beneficiary to foreclose this Deed of Trust.

7. Payment of Costs. Grantor will 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 the Trustee's and any attorneys' fees actually incurred, as provided by statute. If Beneficiary will incur or expend any sums, including without limitation attorneys' fees, whether in connection with any action or proceeding or not, to sustain the lien of the Deed of Trust or its priority, or to protect or enforce any of their rights under the Note, this Deed of Trust or any of the Security Instruments, or for any title examination or title insurance policy relating to the title to the Property secured by this Deed of Trust, all such sums will on notice and demand be immediately paid by the Grantor, together with interest thereon at Default Rate set forth in the Note, from the date of demand until paid in full, and will be deemed secured by this Deed of Trust.

8. Beneficiary Advances. If Grantor fails 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 Default Rate set forth in the Note, computed from the date of advance until paid in full, will be added to and become a part of the debt secured in this Deed of Trust.

9. Condemnation. If any portion of the Property is taken or damaged in an action involving condemnation or exercise of eminent domain, the entire amount of the award or such portion thereof as may be necessary to fully satisfy the obligation secured hereby, will be paid to Beneficiary to be applied to said obligation. This Deed of Trust shall be deemed to be an assignment for security purposes to Beneficiary of all such awards.

10. No Waiver. By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive their right to require prompt payment when due of all other sums so secured or to declare default for failure to so pay, or to utilize all available remedies for any defaults prior to the acceptance of such sums.

11. Reconveyance. The Trustee will reconvey all or any part of the Property covered by this Deed of Trust to Grantor or the person entitled thereto, upon written request of the Grantor and the Beneficiary, or upon complete satisfaction of the entire obligation secured by this Deed of Trust and the Trustee's receipt from the Beneficiary of a written request for reconveyance.

12. Acceleration, Foreclosure. Upon default by Grantor in the payment of any indebtedness secured hereby or in the performance of any agreement contained in the Note, this Deed of Trust, or in any of the Security Instruments (subject to the notice and cure provisions in the Note, if any), all sums secured hereby will immediately become due and payable at the option of the Beneficiary. In such event and upon written request of Beneficiary, Trustee will sell the Property, in accordance with the applicable laws governing the foreclosure of deeds of trust within the State of Washington, at public auction, to the highest bidder. Any person except Trustee may bid at Trustee's sale. Trustee will apply the proceeds of the sale as follows: (1) to the expenses of the sale, including a reasonable Trustee's fee and attorneys' fee; (2) to the obligations secured by this Deed of Trust; and (3) the surplus, if any, will be distributed to Grantor or such other persons entitled thereto.

13. Trustee's Deed Following Foreclosure Sale. Trustee will deliver to the purchaser at the foreclosure sale a deed from Trustee to the purchaser, without warranty, conveying to the purchaser the interest in the Property that 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 will recite the facts demonstrating that the sale was conducted in compliance with all of the requirements of law and of this Deed of Trust, which recital will be prima facie evidence of such compliance and conclusive evidence thereof in favor of bona fide purchasers and encumbrancers for value.

14. Foreclosure as Mortgage. The power of sale conferred by this Deed of Trust and by laws applicable to deeds of trust in the state of Washington is not an exclusive remedy; Beneficiary may, at their option, cause this Deed of Trust to be foreclosed as a mortgage.

15. Successor Trustees. In the event of the death, dissolution, incapacity, disability or resignation of Trustee, Beneficiary may appoint in writing a successor Trustee, and upon the recording of such appointment in the appropriate land title records of the county in which this Deed of Trust is recorded, the successor Trustee will be vested with all powers of the original Trustee. 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 will be a party unless such action or proceeding is brought by the Trustee.

16. Parties Affected. This Deed of Trust applies to, inures to the benefit of, and is binding not only on the parties hereto, but on their heirs, personal representatives, devisees, legatees, administrators, executors, successors and assigns. The term Beneficiary will mean the holder and owner of the Note secured hereby, whether or not named as Beneficiary herein. The term Grantor includes successors to the original Grantor's interest in the Property, or any portion thereof. Notwithstanding any terms herein to the contrary, Beneficiary shall be entitled to assign, sell, transfer or convey all or any portion of their interest in this Deed of Trust, at any time, and on any terms and conditions, without notice to or consent of Grantor.

17. Personal Obligation--Due on Sale. The obligations and indebtedness secured by this Deed of Trust are personal to Grantor. Grantor's personal responsibility, financial capability and control of the Property are material inducements upon which Beneficiary has relied in making a loan to Grantor and accepting this Deed of Trust from Grantor as security for repayment of that loan. If Grantor (or either of them), without prior written consent of Beneficiary (which may be withheld in Beneficiary's sole discretion) directly or indirectly sells, assigns, alienates, transfers, hypothecates or encumbers, or contracts or agrees to sell, assign, alienate, encumber, transfer, hypothecate or encumber title to or possession of any part of the Property, or any interest therein, whether by deed, assignment, contract of sale, lease with an option to purchase, mortgage, deed of trust or any other transfer or conveyance instrument, or other method or device, whether voluntarily or involuntarily by operation of law (excluding transfer at death), then Beneficiary may, in their sole discretion, declare the entire amount secured by this Deed of Trust to be immediately due and payable. Beneficiary may, at any time after 48 hours' prior written notice, enter upon and view the state of the Property for the purpose of verifying compliance with this or any other provision of this Deed of Trust.

18. Assignment of Leases and Rents. As additional and collateral security for the payment of the indebtedness secured hereby and cumulative of any and all rights and remedies herein provided for, Grantor hereby absolutely and presently assigns to Beneficiary all existing and future Leases and Rents. Grantor hereby grants to Beneficiary the sole, exclusive and immediate right, without taking possession of the Property, to demand, collect (by suit or otherwise), receive and give receipts for any and all Rents, for which purpose Grantor does hereby irrevocably make, constitute and appoint Beneficiary his attorney-in-fact with full power to appoint substitutes or a trustee to accomplish such purpose (which power of attorney shall be coupled with an interest and irrevocable so long as any indebtedness secured hereby is outstanding). Beneficiary shall be without liability for any loss which may arise from a failure or inability to collect Rents. Notwithstanding the foregoing, until the occurrence of an uncured default under this Deed of Trust, Grantor shall have a license to collect and receive the Rents when due and

prepayments thereof for not more than two months in advance. Upon the occurrence of an uncured default, Grantor's license shall automatically terminate without notice to Grantor and Beneficiary may thereafter, without taking possession of the Property, collect the Rents themselves or by an agent or receiver, without assumption by Beneficiary of any obligations under any Lease. Grantor irrevocably agrees and consents that the respective payors of the Rents shall, upon demand and notice from Beneficiary, pay all Rents to Beneficiary without liability. All Rents collected or received by Beneficiary (in their sole discretion) may be applied against expenses of collection (including, without limitation, attorneys' fees), against costs of operation and management of the Property, and against the indebtedness secured hereby. All rights and remedies granted to Beneficiary under the Assignment shall be in addition to and cumulative of all rights and remedies granted to Beneficiary hereunder

19. Security Agreements. This Deed of Trust constitutes (i) a financing statement filed as a fixture filing in the records of Skagit County, Washington, pursuant to Chapter 62A.9 of the Revised Code of Washington with respect to any and all fixtures encumbered hereby and with respect to any and all goods or other personal property that may now be or hereafter become fixtures on the Property, and (ii) a security agreement with respect to all of Grantor's personal property now or hereafter located in any improvements constructed on the Land, all intangible property associated with Grantor's business operations on the Land and all of Grantor's account receivable in which Beneficiary is granted a security interest hereunder, and Beneficiary shall have all of the rights and remedies of a secured party under the Uniform Commercial Code of the State of Washington as well as all other rights and remedies available hereunder or at law or in equity or by judicial decision. Grantor authorizes Beneficiary to file and record financing statements, and amendments and continuations thereof, pursuant to the Uniform Commercial Code of Washington in order to impose, perfect or continue the perfection of, or protect, the lien and security interest created by this Deed of Trust.

20. Waiver of Jury Trial. GRANTOR, TO THE FULL EXTENT PERMITTED BY LAW, HEREBY KNOWINGLY, INTENTIONALLY AND VOLUNTARILY, WITH AND UPON THE ADVICE OF COMPETENT COUNSEL, WAIVES, RELINQUISHES AND FOREVER FORGOES THE RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING BASED UPON, ARISING OUT OF, OR IN ANY WAY RELATING TO THIS NOTE, THE DEED OF TRUST OR THE INDEBTEDNESS SECURED THEREBY, OR ANY CONDUCT, ACT OR OMISSION OF BENEFICIARY OR GRANTOR, OR ANY OF THEIR DIRECTORS, OFFICERS, PARTNERS, MANAGERS, MEMBERS, EMPLOYEES, AGENTS OR ATTORNEYS, OR ANY OTHER PERSONS AFFILIATED WITH ANY OF THEM, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE.

21. General Terms. All obligations of Grantor under this Deed of Trust (if consisting collectively of two or more persons) shall be joint and several. This Deed of Trust may not be amended, modified or changed, nor shall any waiver or release of any provision of this Deed of Trust be effective, unless in writing and signed by Beneficiary. The Deed of Trust shall be construed according to and governed by the laws of the state of Washington, without reference to any laws of conflicts between jurisdictions. If any provision of this Deed of Trust is adjudicated to be invalid, illegal or unenforceable, in whole or in part, it will be deemed omitted to that extent and all other provisions of this Deed of Trust will remain in full force and effect. All notices given pursuant to this Deed of Trust must be in writing, and shall be sent in accordance with the terms of the Note, and applicable Washington law.

[signatures on following pages]

Grantor has executed this Deed of Trust as of this 26th day of May, 2022.

GRANTOR:



KENDALL SHAWN POWERS

Address of Grantor:

1906 J. Street

Bellingham, Washington 98225

Fax No.: n/a

Email: kendallspowers@gmail.com

State of Washington)

County of Whatcom)ss

I certify that I know or have satisfactory evidence that KENDAL SHAWN POWERS is the person who appeared before me, and said person acknowledged that he signed this instrument and acknowledged it to be his free and voluntary act, for the uses and purposes mentioned in this instrument.

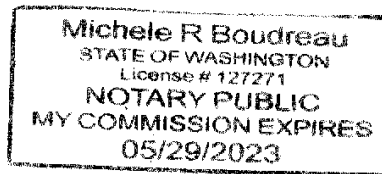
Date: May 26, 2022

Michele R Boudreau

Name: MICHELE R BOUDREAU
Notary Public, State of Washington,

residing at: Bellingham

My appointment expires: May 29, 2023



REQUEST FOR FULL RECONVEYANCE

To be signed and used only when Note has been paid in full.

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

Dated: _____

EXHIBIT A
TO
DEED OF TRUST

LEGAL DESCRIPTION OF REAL ESTATE

Tract 3 of Skagit County Short Plat No. 94-013, approved May 26, 1994, and recorded May 26, 1994, under Auditor's File No. 9405260001, in Volume 11 of Short Plats, page 76, records of Skagit County, Washington and as amended by Amended Short Plat No. 94-013, approved August 10, 1994, recorded August 16, 1994, under Auditor's File No. 9408160004, in Volume 11 of Short Plats, page 98, records of Skagit County, Washington, being a portion of the North $\frac{1}{2}$ of the Southwest $\frac{1}{4}$ of Section 17, Township 36 North, Range 4 East, W.M.

TOGETHER WITH a non-exclusive easement for ingress, egress and utilities over, under and across that certain easement area delineated on the face of said Short Plat. Said easement running along the Southerly boundary of Lots 1 and 2 of said Short Plat No. 94-013.

Situate in the County of Skagit, State of Washington