

After recording return to:
The Lending Arm, LLC
3611 N. Warner Street
Tacoma, WA 98407

212150-LT

**DEED OF TRUST,
ASSIGNMENT OF LEASES AND RENTS,
(WASHINGTON)**

Grantor(s)/Borrower(s): JH&JK LLC, a Washington Limited liability Company

Grantee/Beneficiary: The Lending ARM, LLC
3611 N. Warner Street
Tacoma, WA 98407

Legal Description See Exhibit A - For Full Legal Description

Assessor's Tax Parcel ID #: 340204-4-007-0009 / P19912 (Ptn SW NE, 4-342 EWM)
Lot 1, SPL-2015-0005 AF# 201701200075

Trustee: Escrow Northwest Inc., A Washington Corporation

**DEED OF TRUST,
ASSIGNMENT OF LEASES AND RENTS**

This DEED OF TRUST, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING (as amended, restated, replaced, supplemented, or otherwise modified from time to time, the “**Security Instrument**”) dated as of June 4, 2024, is executed by: **JH&JK LLC, a Washington limited liability company, who also appears of record as JH and JK LLC, a Washington limited liability company (“Borrower”)**, to Escrow Northwest, Inc. a Washington Corporation, as trustee (“**Trustee**”), for the benefit of The Lending ARM, LLC, as beneficiary (“**Lender**”).

Borrower, in consideration of (i) the loan in the original principal amount of \$200,000 (the “**Loan**”) evidenced by that certain Commercial Note dated as of the date of this Security Instrument, executed by Borrower and made payable to the order of Lender (as amended, restated, replaced, supplemented, or otherwise modified from time to time, (the “**Note**”), and (ii) the trust created by this Security Instrument, and to secure to Lender the repayment of the Loan, and all renewals, extensions and modifications thereof, irrevocably and unconditionally mortgages, grants, warrants, conveys, bargains, sells, and assigns to Trustee, in trust, for benefit of Lender, with power of sale and right of entry and possession, the commercial real estate and all improvements thereon commonly known as 8630 S. March Point Road, Anacortes, WA 98221 (Tax parcel 340204-4-007-0009), and described in Exhibit A attached to this Security Instrument and incorporated by reference (the “**Property**”), to have and to hold such Property unto Trustee and Trustee’s successors and assigns, forever.

Borrower represents and warrants that Borrower is lawfully seized of the Property and has the right, power and authority to mortgage, grant, warrant, convey, bargain, sell, and assign the Property, and that the Property is not encumbered by any Lien.

Borrower, and by their acceptance hereof, each of Trustee and Lender covenants and agrees as follows:

1. Defined Terms.

All terms used and not specifically defined herein, but which are otherwise defined by the UCC, shall have the meanings assigned to them by the UCC. The following terms, when used in this Security Instrument, shall have the following meanings:

“**Condemnation Action**” means any action or proceeding, however characterized or named, relating to any condemnation or other taking, or conveyance in lieu thereof, of all or any part of the Mortgaged Property, whether direct or indirect.

“Enforcement Costs” means all expenses and costs, including reasonable attorneys’ fees and expenses, fees and out-of-pocket expenses of expert witnesses and costs of investigation, incurred by Lender as a result of any Event of Default, including those incurred in post-judgment collection efforts and in any bankruptcy or insolvency proceeding (including any action for relief from the automatic stay of any bankruptcy proceeding or Foreclosure Event) or judicial or non-judicial foreclosure proceeding, to the extent permitted by law.

“Environmental Laws” has the meaning set forth in the Environmental Indemnity Agreement.

“Event of Default” Each of the following shall constitute an event of default (“Event of Default”) under this Security Agreement: **Payment Default.** Borrower fails to make any payment when due under the Note. **Other Defaults.** Borrower fails to comply with or to perform any other term, obligation, covenant or condition in the Note or in this Deed of Trust securing this Note.

“Fixtures” means all Goods that are so attached or affixed to the Land or the Improvements as to constitute a fixture under the laws of the Washington.

“Improvements” means the buildings, structures, improvements, and alterations now constructed or at any time in the future constructed or placed upon the Property including any future replacements, facilities, and additions and other construction on the Property.

“Leases” means all present and future leases, subleases, licenses, concessions or grants or other possessory interests now or hereafter in force, whether oral or written, covering or affecting the Property, or any portion of the Property, and all modifications, extensions or renewals thereof.

“Lien” means any claim or charge against property for payment of a debt or an amount owed for services rendered, including any mortgage, deed of trust, deed to secure debt, security interest, tax lien, any materialman’s or mechanic’s lien, or any lien of a Governmental Authority, including any lien in connection with the payment of utilities, or any other encumbrance.

“Loan” means the principal of, interest on, and all other amounts due at any time under the Note and this Security Instrument and accrued interest, advances, costs and expenses to perform the obligations of Borrower or to protect the Property or the security of this Security Instrument, all other monetary obligations of Borrower.

“Property” means the real property described in Exhibit A, and all of Borrower’s present and hereafter acquired right, title and interest, if any, in and to all of the following:

(a) the property legally described and known as the common address of 8630 S. March Point Road, Anacortes, WA 98221, and current and future rights, including air rights, development rights, zoning rights and other similar rights or interests, easements, tenements, rights-of-way, strips and gores of land, streets, alleys, roads, sewer rights, waters, watercourses, and appurtenances related to or benefitting the Land or the Improvements, or both, and all rights-of-way, streets, alleys and roads which may have been or may in the future be vacated;

(b) insurance policies relating to the Property (and any unearned premiums) and all proceeds paid or to be paid by any insurer of the Property, whether or not Borrower obtained the insurance pursuant to Lender's requirements;

(c) awards, payments and other compensation made or to be made by any municipal, state or federal authority with respect to any part of the Property, including any awards or settlements resulting from (1) Condemnation Actions, (2) any damage to the Property caused by governmental action that does not result in a Condemnation Action, or (3) the total or partial taking of any part of the Property under the power of eminent domain or otherwise and including any conveyance in lieu thereof;

(d) contracts, options and other agreements for the sale of the Property entered into by Borrower now or in the future, including cash or securities deposited to secure performance by parties of their obligations;

(e) Leases and Lease guaranties, letters of credit and any other supporting obligation for any of the Leases given in connection with any of the Leases, and all Rents;

(f) earnings, royalties, accounts receivable, issues and profits from the Property;

(g) tenant security deposits; and

(h) products, and all cash and non-cash proceeds from the conversion, voluntary or involuntary, of any of the above into cash or liquidated claims, and the right to collect such proceeds; and

"Permitted Encumbrance" means only the easements, restrictions and other matters listed in a schedule of exceptions to coverage in the Title Policy and Taxes for the current tax year that are not yet due and payable.

"Rents" means all rents (whether from residential or non-residential space), revenues and other income from the Property, whether now due, past due, or to become due, and tenant security deposits.

"Taxes" means all taxes, assessments, vault rentals and other charges, if any, general, special or otherwise, including assessments for schools, public betterments and general or local improvements, which are levied, assessed or imposed by any public authority or quasi-public authority, and which, if not paid, may become a lien, on the Property.

"UCC" means the Uniform Commercial Code in effect in the State of Washington, as amended from time to time.

2. Assignment of Leases and Rents; Appointment of Receiver; Lender in Possession.

(a) As part of the consideration for the Loan, Borrower absolutely and unconditionally assigns and transfers to Lender all leases and Rents of the Property. Borrower and Lender intend the assignments of Leases and Rents to be effective immediately and to constitute absolute present assignments, and not assignments for additional security only. Lender grants to Grantor a license to collect the Rents, which license may be revoked upon an Event of Default. This assignment of Leases and Rents is intended to be specific, perfected, and choate upon recording as provided in RCW Section 7.28.230.

(b) Until an Event of Default has occurred and is continuing, Borrower shall have a revocable license to exercise all rights, power and authority granted to Borrower under the Leases (including the right, power and authority to modify the terms of any Lease, extend or terminate any Lease, or enter into new Leases, and to collect and receive all Rents, to hold all Rents in trust for the benefit of Lender, and to apply all Rents to pay the Loan, and to pay the current costs and expenses of managing, operating and maintaining the Property, including utilities, tenant improvements and other capital expenditures. So long as no Event of Default has occurred and is continuing (and no event which, with the giving of notice or the passage of time, or both, would constitute an Event of Default has occurred and is continuing), the Rents remaining after application pursuant to the preceding sentence may be retained and distributed by Borrower free and clear of, and released from, Lender's rights with respect to Rents under this Security Instrument.

(c) If an Event of Default has occurred and is continuing, without the necessity of Lender entering upon and taking and maintaining control of the Property directly, by a receiver, or by any other manner or proceeding permitted by the laws of Washington, the revocable license granted to Borrower pursuant to Section 2(b) shall automatically terminate, and Lender shall immediately have all rights, powers and authority granted to Borrower under any Lease (including the right, power and authority to modify the terms of any such Lease, or extend or terminate any such Lease) and, without notice, Lender shall be entitled to all Rents as they become due and payable, including Rents then due and unpaid. During the continuance of an Event of Default, Borrower authorizes Lender to collect, sue for and compromise Rents and directs each tenant of the Property to pay all Rents to, or as directed by, Lender, and Borrower shall, upon Borrower's receipt of any Rents from any sources, pay the total amount of such receipts to Lender. Although the foregoing rights of Lender are self-effecting, at any time during the continuance of an Event of Default, Lender may make demand for all Rents, and Lender may give, and Borrower hereby irrevocably authorizes Lender to give, notice to all tenants of the Property instructing them to pay all Rents to Lender. No tenant shall be obligated to inquire further as to the occurrence or continuance of an Event of Default, and no tenant shall be obligated to pay to Borrower any amounts that are actually paid to Lender in response to such a notice. Any such notice by Lender shall be delivered to each tenant personally, by mail or by delivering such demand to each rental unit.

(d) If an Event of Default has occurred and is continuing, Lender may, regardless of the adequacy of Lender's security or the solvency of Borrower, and even in the absence of waste, enter upon, take and maintain full control of the Property, and may exclude Borrower and its agents and employees therefrom, in order to perform all acts that Lender, in its discretion, determines to be necessary or desirable for the operation and maintenance of the Property, including the execution, cancellation or modification of Leases, the collection of all Rents (including through use of a lockbox, at Lender's election), the making of repairs to the Property and the execution or termination of contracts providing for the management, operation or maintenance of the Property, for the purposes of enforcing this assignment of Rents, protecting the Property or the security of this Security Instrument and the Loan, or for such other purposes as Lender in its discretion may deem necessary or desirable.

(e) Notwithstanding any other right provided Lender under this Security Instrument or any other Loan Document, if an Event of Default has occurred and is continuing, and regardless of the adequacy of Lender's security or Borrower's solvency, and without the necessity of giving prior notice (oral or written) to Borrower, Lender may apply to any court having jurisdiction for the appointment of a receiver for the Property to take any or all of the actions set forth in Section 2. If Lender elects to seek the appointment of a receiver for the Property at any time after an Event of Default has occurred and is continuing, Borrower, by its execution of this Security Instrument, expressly consents to the appointment of such receiver, including the appointment of a receiver *ex parte*. Borrower consents to shortened time consideration of a motion to appoint a receiver. Lender or the receiver, as applicable, shall be entitled to receive a reasonable fee for managing the Property and such fee shall become an additional part of the Loan. Immediately upon appointment of a receiver or Lender's entry upon and taking possession and control of the Property, possession of the Property and all documents, records (including records on electronic or magnetic media), accounts, surveys, plans, and specifications relating to the Property, and all security deposits and prepaid Rents, shall be surrendered to Lender or the receiver, as applicable. If Lender or receiver takes possession and control of the Property, Lender or receiver may exclude Borrower and its representatives from the Property.

(f) The acceptance by Lender of the assignments of the Leases and Rents pursuant to this Section 2 shall not at any time or in any event obligate Lender to take any action or to expend any money or to incur any expense. Lender shall not be liable in any way for any injury or damage to person or property sustained by any Person in, on or about the Property. Prior to Lender's actual entry upon and taking possession and control of the Property and Improvements, Lender shall not be:

- (1) obligated to perform any of the terms, covenants and conditions contained in any Lease (or otherwise have any obligation with respect to any Lease);
- (2) obligated to appear in or defend any action or proceeding relating to any Lease or the Property; or

(3) responsible for the operation, control, care, management or repair of the Property or any portion of the Property.

The execution of this Security Instrument shall constitute conclusive evidence that all responsibility for the operation, control, care, management and repair of the Property is and shall be that of Borrower, prior to such actual entry and taking possession and control by Lender of the Property.

(g) Lender shall be liable to account only to Borrower and only for Rents actually received by Lender. Lender shall not be liable to Borrower, anyone claiming under or through Borrower or anyone having an interest in the Property by reason of any act or omission of Lender under this Section 2, and Borrower hereby releases and discharges Lender from any such liability to the fullest extent permitted by law, provided that Lender shall not be released from liability that occurs as a result of Lender's gross negligence or willful misconduct as determined by a court of competent jurisdiction pursuant to a final, non-appealable court order. If the Rents are not sufficient to meet the costs of taking control of and managing the Property and collecting the Rents, any funds expended by Lender for such purposes shall be added to, and become a part of, the principal balance of the Loan, be immediately due and payable, and bear interest at the Default Rate from the date of disbursement until fully paid. Any entering upon and taking control of the Property by Lender or the receiver, and any application of Rents as provided in this Security Instrument, shall not cure or waive any Event of Default or invalidate any other right or remedy of Lender under applicable law or provided for in this Security Instrument or any Loan Document.

3. Property Use, Preservation, and Maintenance

(A) Property Maintenance. Borrower shall:

(1) pay the expenses of operating, managing, maintaining, and repairing the Property (including insurance premiums and utilities), before the last date upon which each such payment may be made without any penalty or interest charge being added;

(2) keep the Property in good repair and marketable condition (ordinary wear and tear excepted);

(3) not commit waste or abandon or (ordinary wear and tear excepted) permit impairment or deterioration of the Property;

(4) not engage in or knowingly permit, and shall take appropriate measures to prevent and abate or cease and desist, any illegal activities at the Property that could endanger tenants or visitors, result in damage to the Property, result in forfeiture of the Property or otherwise materially impair the lien created by the Security Instrument or Lender's interest in the Property;

(5) not permit any condition to exist on the Property that would invalidate any part of any insurance coverage required by this Security Instrument; or

(6) procure and maintain all required permits, licenses, and certificates necessary to comply with all zoning and land use statutes, laws, ordinances, rules and regulations, and all applicable health, fire, safety, and building codes and for the lawful use and operation of the Property, and

(7) promptly after receipt or notification thereof, provide Lender copies of any building code or zoning violation from any Governmental Authority with respect to the Property.

4. Insurance.

(a) Insurance Requirements. Borrower shall:

(1) keep the Property and all improvements insured at all times against any hazards, which insurance shall include coverage against loss by fire and all other perils insured by the "special causes of loss" coverage form, general boiler and machinery coverage, business income coverage, and flood (if any of the Improvements are located in an area identified by the Federal Emergency Management Agency (or any successor) as an area having special flood hazards and to the extent flood insurance is available in that area); and

(2) maintain at all times commercial general liability insurance, workmen's compensation insurance, and such other liability, errors and omissions, and fidelity insurance coverage; and

(b) Delivery of Policies, Renewals, Notices, and Proceeds. Borrower shall:

(1) cause all insurance policies which can be endorsed with standard non-contributing, non-reporting mortgagee clauses making loss payable to Lender (or Lender's assigns) to be so endorsed;

(2) promptly deliver to Lender a copy of all renewal and other notices received by Borrower with respect to the policies and all receipts for paid premiums;

(3) deliver evidence, in form and content acceptable to Lender, that each required insurance policy has been renewed;

(4) provide immediate written notice to the insurance company and to Lender of any event of loss;

(5) execute such further evidence of assignment of any insurance proceeds as Lender may require; and

(6) provide immediate written notice to Lender of Borrower's receipt of any insurance proceeds under any insurance policy required by this Section and, if requested by Lender, deliver to Lender all of such proceeds received by Borrower to be applied by Lender to the Note.

(c) Application of Proceeds on Event of Loss. Upon an event of loss, Lender may, at Lender's option:

- (1) hold such proceeds to be applied to reimburse Borrower for the cost of Restoration; or
- (2) apply such proceeds to the payment of the Note, whether or not then due;
- (3) Payment Obligations Unaffected. The application of any insurance proceeds to the Note shall not extend or postpone the Maturity Date, or the due date or the full payment of any monthly payment.
- (d) Foreclosure Sale. If the Property is transferred pursuant to a foreclosure or Lender otherwise acquires title to the Property, Borrower acknowledges that Lender shall automatically succeed to all rights of Borrower in and to any insurance policies and unearned insurance premiums applicable to the Property and in and to the proceeds resulting from any damage to the Property prior to such foreclosure or such acquisition.

5. Protection of Lender's Security.

If Borrower fails to perform any of its obligations under this Security Instrument or any action or proceeding is commenced that purports to affect the Property, Lender's security, rights or interests under this Security Instrument (including eminent domain, insolvency, code enforcement, civil or criminal forfeiture, enforcement of Environmental Laws, fraudulent conveyance or reorganizations or proceedings involving a debtor or decedent), Lender may, at its option, make such appearances, disburse or pay such sums and take such actions, whether before or after an Event of Default or whether directly or to any receiver for the Property, as Lender reasonably deems necessary to perform such obligations of Borrower and to protect the Property or Lender's security, rights or interests in the Property or the Loan, including:

- (a) paying fees and out-of-pocket expenses of attorneys, accountants, inspectors and consultants;
- (b) entering upon the Property to make repairs or secure the Property;
- (c) obtaining (or force-placing) the insurance; and
- (d) paying any amounts that Borrower has failed to pay.

Any amounts so disbursed or paid by Lender shall be added to, and become part of, the principal balance of the Loan, be immediately due and payable and bear interest at the Default Rate from the date of disbursement until fully paid. The provisions of this Section 5 shall not be deemed to obligate or require Lender to incur any expense or take any action.

6. Due on Sale – Consent by Lender. Lender may, at Lender's option, (A) declare immediately due and payable all sums secured by this Deed of Trust or (B) increase the interest rate provided for in the Note or other document evidencing the Indebtedness and impose such other conditions as Lender deems appropriate, upon the sale or transfer, without Lender's prior written consent, of all or any part of the Real Property, or any interest in the Real Property. Except,

Grantors are authorized to transfer the Real Property to an entity wholly owned by one or more of the Grantors, and that such transfer shall not be considered an Event of Default.

7. Default; Acceleration; Remedies.

(a) If an Event of Default has occurred and is continuing, Lender, at its option, may declare the Loan to be immediately due and payable without further demand, and may either with or without entry or taking possession as herein provided or otherwise, proceed by suit or suits at law or in equity or any other appropriate proceeding or remedy (1) to enforce payment of the Loan; (2) to foreclose this Security Instrument judicially or non-judicially by the power of sale granted herein; (3) to pursue any one (1) or more other remedies provided in this Security Instrument or otherwise afforded by applicable law. Each right and remedy provided in this Security Instrument is distinct from all other rights or remedies under this Security Instrument or otherwise afforded by applicable law, and each shall be cumulative and may be exercised concurrently, independently, or successively, in any order. Borrower has the right to bring an action to assert the nonexistence of an Event of Default or any other defense of Borrower to acceleration and sale.

(b) Borrower acknowledges that the power of sale granted in this Security Instrument may be exercised or directed by Lender without prior judicial hearing. In the event Lender invokes the power of sale:

(1) Lender shall send to Borrower and any other Persons required to receive such notice, written notice of Lender's election to cause the Property to be sold. Borrower hereby authorizes and empowers Trustee to take possession of the Property, or any part thereof, and hereby grants to Trustee a power of sale and authorizes and empowers Trustee to sell (or, in the case of the default of any purchaser, to resell) the Property or any part thereof, in compliance with applicable law, including compliance with any and all notice and timing requirements for such sale. Trustee may postpone the sale of all or any part of the Property for a period or periods not exceeding a total of one hundred twenty (120) days (or such period as may be fixed by RCW Section 61.24.040(6)) by public announcement at the time and place fixed in the notice of sale.

(2) Trustee shall have the authority to determine the terms of the sale to the extent permitted by RCW 61.24.040, 61.24.070 and other applicable law. In connection with any such sale, the whole of the Property may be sold in one (1) parcel as an entirety or in separate lots or parcels at the same or different times. Lender shall have the right to become the purchaser at any such sale. Trustee shall be entitled to receive fees and expenses from such sale not to exceed the amount permitted by applicable law.

(3) within a reasonable time after the sale, Trustee shall deliver to the purchaser of the Property a deed or such other appropriate conveyance document

conveying the Property so sold without any express or implied covenant or warranty. The recitals in such deed or document shall be prima facie evidence of the truth of the statements made in those recitals.

(4) the outstanding principal amount of the Loan, if not previously due, shall be and become immediately due and payable without demand or notice of any kind. If the Property is sold for an amount less than the amount outstanding under the Loan, the deficiency shall be determined by the purchase price at the sale or sales. Borrower waives all rights, claims, and defenses with respect to Lender's ability to obtain a deficiency judgment.

(c) Borrower acknowledges and agrees that the proceeds of any sale shall be applied as required by applicable law (see RCW 61.24.080).

(d) In connection with the exercise of Lender's rights and remedies under this Security Instrument, there shall be allowed and included as indebtedness: (1) all expenditures and expenses authorized by applicable law and all other expenditures and expenses which may be paid or incurred by or on behalf of Lender for reasonable legal fees, appraisal fees, outlays for documentary and expert evidence, stenographic charges and publication costs; (2) all expenses of any environmental site assessments, environmental audits, environmental remediation costs, appraisals, surveys, engineering studies, wetlands delineations, flood plain studies, and any other similar testing or investigation deemed necessary or advisable by Lender; and (3) costs (which may be reasonably estimated as to items to be expended in connection with the exercise of Lender's rights and remedies) of procuring title searches and examinations, title insurance policies, and similar data and assurance with respect to title as Lender may deem reasonably necessary either to prosecute any suit or to evidence the true conditions of the title to or the value of the Property to bidders at any sale which may be held in connection with the exercise of Lender's rights and remedies. All expenditures and expenses of the nature mentioned in this Section 6, and such other expenses and fees as may be incurred in the protection of the Property and rents and income therefrom and the maintenance of the lien of this Security Instrument, including the fees of any attorney employed by Lender in any litigation or proceedings affecting this Security Instrument, the Note, or the Property, including bankruptcy proceedings, any Foreclosure Event, or in preparation of the commencement or defense of any proceedings or threatened suit or proceeding, or otherwise in dealing specifically therewith, shall be so much additional indebtedness added to the Loan shall be immediately due and payable by Borrower, with interest thereon at the Default Rate until paid.

(e) Any action taken by Trustee or Lender pursuant to the provisions of this Section 6 shall comply with the laws of the State of Washington. If any provision of this Security Instrument shall grant to Lender (including Lender acting as a mortgagee-in-possession), Trustee or a receiver appointed pursuant to the provisions of this Security Instrument any powers, rights or remedies prior to, upon, during the continuance of or following an Event of Default that are more limited than the powers, rights, or remedies that would otherwise be vested in such party

under any applicable law in the absence of said provision, such party shall be vested with the powers, rights, and remedies granted in such applicable law to the full extent permitted by law.

8. Marshaling.

Notwithstanding the existence of any other security interests in the Property held by Lender or by any other party, Lender shall have the right to determine the order in which any or all of the Property shall be subjected to the remedies provided in this Security Instrument or by applicable law. Lender shall have the right to determine the order in which any or all portions of the Loan are satisfied from the proceeds realized upon the exercise of such remedies. Borrower, for itself and all who may claim by, through, or under it, and any party who now or in the future acquires a security interest in the Property and who has actual or constructive notice of this Security Instrument waives any and all right to require the marshaling of assets or to require that any of the Property be sold in the inverse order of alienation or that any of the Property be sold in parcels (at the same time or different times) in connection with the exercise of any of the remedies provided in this Security Instrument or afforded by applicable law.

9. Notice.

(a) All notices under this Security Instrument shall be:

(1) in writing, and shall be (A) delivered, in person, (B) mailed, postage prepaid, either by registered or certified delivery, return receipt requested, or (C) sent by overnight express courier;

(2) addressed to the intended recipient at its respective address set forth at the end of this Security Instrument; and

(3) deemed given on the earlier to occur of:

(A) the date when the notice is received by the addressee; or

(B) if the recipient refuses or rejects delivery, the date on which the notice is so refused or rejected, as conclusively established by the records of the United States Postal Service or such express courier service.

(b) Any party to this Security Instrument may change the address to which notices intended for it are to be directed by means of notice given to the other party in accordance with this Section 8.

(c) Any required notice under this Security Instrument which does not specify how notices are to be given shall be given in accordance with this Section 8.

10. Mortgagee-in-Possession.

Borrower acknowledges and agrees that the exercise by Lender of any of the rights conferred in this Security Instrument shall not be construed to make Lender a mortgagee-in-possession of the Property so long as Lender has not itself entered into actual possession of the Property.

11. Reconveyance.

Upon payment of the Loan, including all accrued interest, Lender shall request Trustee to reconvey the Property and shall deliver this Security Instrument and the Note to Trustee. Trustee shall reconvey the Property without warranty to the person or persons legally entitled thereto. Such person or persons shall pay Trustee's reasonable costs incurred in so reconveying the Property.

12. Substitute Trustee.

In accordance with Washington law, Lender may from time to time appoint a successor trustee to any Trustee appointed under this Security Instrument. Without conveyance of the Property, the successor trustee shall succeed to all the title, power and duties conferred upon the predecessor Trustee and by applicable law.

13. Washington State Specific Provisions.

(a) The Property is not used principally for agricultural purposes.

(b) NOTICE: ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY EXTEND CREDIT OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.

14. Governing Law; Consent to Jurisdiction and Venue.

This Security Instrument shall be governed by the laws of Washington State without giving effect to any choice of law provisions thereof that would result in the application of the laws of another jurisdiction. Borrower agrees that any controversy arising under or in relation to this Security Instrument shall be litigated exclusively in Washington State. The state and federal courts and authorities with jurisdiction in Washington State shall have exclusive jurisdiction over all controversies that arise under or in relation to any security for the Loan. Borrower irrevocably consents to service, jurisdiction, and venue of such courts for any such litigation and waives any other venue to which it might be entitled by virtue of domicile, habitual residence or otherwise.

15. Miscellaneous Provisions.

(a) This Security Instrument shall bind, and the rights granted by this Security Instrument shall benefit, the successors and assigns of Lender. This Security Instrument shall bind, and the obligations granted by this Security Instrument shall inure to, any permitted successors and assigns of Borrower. If more than one (1) person or entity signs this Security Instrument as Borrower, the obligations of such persons and entities shall be joint and several. The relationship between Lender and Borrower shall be solely that of creditor and debtor, respectively, and nothing contained in this Security Instrument shall create any other relationship between Lender and Borrower. No creditor of any party to this Security Instrument and no other person shall be a third-party beneficiary of this Security Instrument.

(b) The invalidity or unenforceability of any provision of this Security Instrument shall not affect the validity or enforceability of any other provision of this Security Instrument, which shall remain in full force and effect. This Security Instrument contains the complete and entire agreement among the parties as to the matters covered, rights granted, and the obligations assumed in this Security Instrument. This Security Instrument may not be amended or modified except by written agreement signed by the parties hereto.

(c) The following rules of construction shall apply to this Security Instrument:

(1) The captions and headings of the sections of this Security Instrument are for convenience only and shall be disregarded in construing this Security Instrument.

(2) Any reference in this Security Instrument to an "Exhibit" or "Schedule" or a "Section" or an "Article" shall, unless otherwise explicitly provided, be construed as referring, respectively, to an exhibit or schedule attached to this Security Instrument or to a Section or Article of this Security Instrument.

(3) Any reference in this Security Instrument to a statute or regulation shall be construed as referring to that statute or regulation as amended from time to time.

(4) Use of the singular in this Security Instrument includes the plural and use of the plural includes the singular.

(5) As used in this Security Instrument, the term "including" means "including, but not limited to" or "including, without limitation," and is for example only, and not a limitation.

(6) Whenever Borrower's knowledge is implicated in this Security Instrument or the phrase "to Borrower's knowledge" or a similar phrase is used in this Security Instrument, Borrower's knowledge or such phrase(s) shall be interpreted to mean to the best of Borrower's knowledge after reasonable and diligent inquiry and investigation.

(7) Unless otherwise provided in this Security Instrument, if Lender's approval, designation, determination, selection, estimate, action or decision is required, permitted or contemplated hereunder, such approval, designation, determination, selection, estimate, action or decision shall be made in Lender's sole and absolute discretion.

16. Time is of the Essence.

Borrower agrees that, with respect to each and every obligation and covenant contained in this Security Instrument, time is of the essence.

ATTACHED EXHIBITS. The following Exhibits are attached to this Security Instrument and incorporated fully herein by reference:

<input checked="" type="checkbox"/>	Exhibit A	Description of the Property
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[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, Borrower has signed and delivered this Security Instrument or has caused this Security Instrument to be signed.

BORROWER:

JH&JK LLC, a Washington limited liability company, who also appears of record as JH and JK LLC, a Washington limited liability company

By:  _____

Name: Dr. Jason Kitzman, Member

By:  _____

Name: Maria Kitzman, Member

By:  _____

Name: Dr. Jason Kitzman, Personal Guarantor

By:  _____

Name: Maria Kitzman, Personal Guarantor

(BORROWER NOTICE ADDRESS)

830 E. Fairhaven Ave
Burlington, WA 98233

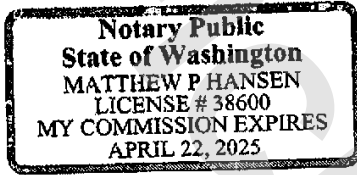
[LENDER NOTICE ADDRESS]

The Lending ARM, LLC
3611 N. Warner Street
Tacoma, WA 98407

STATE OF WASHINGTON)
) ss
COUNTY OF Pierce)

On this day personally appeared before me Jason and Maria Kitzman, as members of JH&JK LLC, a Washington Limited liability Company. I certify that I know or have satisfactory evidence that Jason and Maria Kitzman (is/are) the person (s) who appeared before me and said person(s) acknowledged that Jason and Maria Kitzman signed this instrument and acknowledged that he/she/they signed the same as his/her/their free and voluntary act and deed.

GIVEN under my hand and official seal this 3rd day of June, 2024.



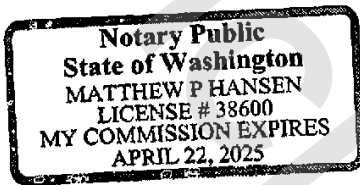
Matthew P Hansen

NOTARY PUBLIC in and for the State of
Washington, residing at: Tacoma
My Commission Expires: 4-22-2025

STATE OF WASHINGTON)
COUNTY OF Pierce) ss

On this day personally appeared before me Jason and Maria Kitzman, individually, as personal guarantors. I certify that I know or have satisfactory evidence that Jason and Maria Kitzman (is/are) the person (s) who appeared before me and said person(s) acknowledged that Jason and Maria Kitzman signed this instrument and acknowledged that he/she/they signed the same as his/her/their free and voluntary act and deed.

GIVEN under my hand and official seal this 3rd day of June, 2024.



Matthew P Hansen

NOTARY PUBLIC in and for the State of
Washington, residing at: Tacoma
My Commission Expires: 4-22-2025

EXHIBIT A**[DESCRIPTION OF THE PROPERTY]**

Lot 1, 'JH AND JK LLC SHORT PLAT', SPL-2015-0005, approved January 17, 2017, recorded January 20, 2017 under Skagit County Auditor's File No. 201701200078, being a portion of the Southwest 1/4 of the Southeast 1/4 AND the Northwest 1/4 of the Southeast 1/4 of Section 4, Township 34 North, Range 2 East, W.M.. Situate within the County of Skagit, State of Washington