

When recorded return to:

Mount Royal II Holding, LLC
ATTN: Charles Veniez
1021 Gayfeather Lane
Vero Beach, FL 32963

213026-LT

DEED OF TRUST

THIS DEED OF TRUST, made this 9th day of December, 2024 between:

as GRANTOR(S), Richard Duncan and Jolene Duncan, a married couple whose address is 10030 159th Ave SE; Snohomish, WA 98290

and

as TRUSTEE, Land Title & Escrow
whose address is 111 George Hopper Road, Burlington, WA 98233

and

as BENEFICIARY, Mount Royal Holding II, LLC
whose address is 1021 Gayfeather Lane, Vero Beach, FL 32963

WITNESSETH: Grantor(s) 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:

Abbreviated Legal: a ptn. of NE ¼ of SE ¼ & of et 2, SP 157-79 in 16-35-3-EWM

Situs Address: 14815 Allen West Road; Bow, WA 98232

Tax Parcel Number(s): P 34410; XrefID: 350316-4-001-0009

which real property is not used principally for agricultural or farming purposes, together with all the tenements, hereditaments, and appurtenances now or hereafter thereunto belonging or in any wise appertaining, and the rents, issues, and profits thereof.

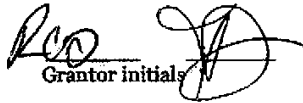
This deed is for the purpose of securing performance of each agreement of Grantor(s) herein contained, and payment of the sum of 1,200,000 Dollars with interest, in accordance with the terms of a promissory note of even date herewith, payable to Beneficiary or order, and made by Grantor(s), and all renewals, modifications, and extensions thereof, and also such further sums as may be advanced or loaned by Beneficiary to Grantor(s), or any of his/her/their successors or assigns, together with interest thereon at such rate as shall be agreed upon.

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

1. To keep the property in good condition and repair; to permit no waste thereof; to complete any building, structure, or improvement being built or about to be built thereon; to restore promptly any building, structure, or improvement thereon which may be damaged or destroyed; and to comply with all laws, ordinances, regulations, covenants, conditions, and restrictions affecting the property.
2. To pay before delinquent all lawful taxes and assessments upon the property; to keep the property free and clear of all other charges, liens, or encumbrances impairing the security of this Deed of Trust.
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 be held by the Beneficiary, and be in such companies as the Beneficiary may approve and have loss payable first to the Beneficiary, as its interest may appear, and then to the Grantor(s). 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(s) 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 this Deed of Trust, including the expenses of the Trustee incurred in enforcing the obligation secured hereby and Trustee's and attorney's fees actually incurred, as provided by statute.

- 6. Should Grantor(s) 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 note secured hereby, shall be added to and become a part of the debt secured in this Deed of Trust.
- 7. **NO FURTHER ENCUMBRANCES:** As an express condition of Beneficiary making the loan secured by this Deed of Trust, Grantor shall not further encumber, pledge, mortgage, hypothecate, place any lien, charge or claim upon, or otherwise give as security the property or any interest therein nor cause or allow by operation of law the encumbrance of the Trust Estate or any interest therein without the written consent of a Beneficiary even though such encumbrance may be junior to the encumbrance created by this Deed of Trust. Encumbrance of the property contrary to the provisions of this provision shall constitute a default and Beneficiary may, at Beneficiary's option, declare the entire balance of principal and interest immediately due and payable, whether the same be created by Grantor or an unaffiliated third party asserting a judgment lien, mechanic's or materialmen's lien or any other type of encumbrance or title defect.

NOTE THAT THIS DOES NOT INCLUDE THE ABILITY TO REFINANCE THIS LOAN AND PAY OFF LENDER ON OR BEFORE THE MATURITY DATE SET FORTH IN PROMISSORY NOTE.


Grantor initials

Beneficiary 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 hereby, shall be paid to Beneficiary to be applied to said obligation.
- 2. 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.

costs and expenses, including cost of title search and attorney's fees in a reasonable amount, in any such action or proceeding, and in any suit brought by Beneficiary to foreclose this Deed of Trust.

5. To pay all costs, fees, and expenses in connection with this Deed of Trust, including the expenses of the Trustee incurred in enforcing the obligation secured hereby and Trustee's and attorney's fees actually incurred, as provided by statute.
6. Should Grantor(s) 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 note secured hereby, shall be added to and become a part of the debt secured in this Deed of Trust.
7. **NO FURTHER ENCUMBRANCES:** As an express condition of Beneficiary making the loan secured by this Deed of Trust, Grantor shall not further encumber, pledge, mortgage, hypothecate, place any lien, charge or claim upon, or otherwise give as security the property or any interest therein nor cause or allow by operation of law the encumbrance of the Trust Estate or any interest therein without the written consent of a Beneficiary even though such encumbrance may be junior to the encumbrance created by this Deed of Trust. Encumbrance of the property contrary to the provisions of this provision shall constitute a default and Beneficiary may, at Beneficiary's option, declare the entire balance of principal and interest immediately due and payable, whether the same be created by Grantor or an unaffiliated third party asserting a judgment lien, mechanic's or materialmen's lien or any other type of encumbrance or title defect.

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Grantor initials



Beneficiary initials

Deed of Trust

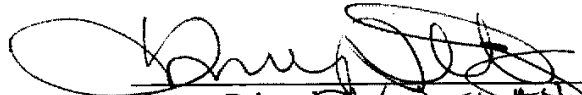
3. The Trustee shall reconvey all or any part of the property covered by this Deed of Trust to the person entitled thereto, on written request of the Grantor(s) and the Beneficiary, or upon satisfaction of the obligation secured and written request for reconveyance made by the Beneficiary or the person entitled thereto.
4. Upon default by Grantor(s) in the payment of any indebtedness secured hereby or in the performance of any agreement contained herein, all sums secured hereby shall immediately become due and payable at the option of the Beneficiary. In such event and upon written request of Beneficiary, Trustee shall sell the trust property, in accordance with the Deed of Trust Act of the State of Washington, at public auction to the highest bidder. Any person except Trustee may bid at Trustee's sale. Trustee shall apply the proceeds of the sale as follows: (1) to the expense of the sale, including a reasonable Trustee's fee and attorney's fee; (2) to the obligation secured by this Deed of Trust; and (3) the surplus, if any, shall be distributed to the persons entitled thereto.
5. Trustee shall deliver to the purchaser at the sale its deed, without warranty, which shall convey to the purchaser the interest in the property which Grantor(s) had or had the power to convey at the time of his/her/their execution of this Deed of Trust, and such as he/she/they 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.
6. 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.
7. In the event of the death, incapacity, disability, or resignation of Trustee, Beneficiary may appoint in writing a successor trustee, and upon the recording of such appointment in the mortgage records of the county in which this Deed of Trust is recorded, the successor trustee shall be vested with all powers of the original trustee. The trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of an action or proceeding in which Grantor(s), Trustee, or Beneficiary shall be a party unless such action or proceeding is brought by the Trustee.
8. 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 note secured hereby, whether or not named as Beneficiary herein.

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that JOLENE DUNCAN is the individual who appeared before me, and said person acknowledged that she signed this instrument and acknowledged it to be her free and voluntary act for the uses and purposes mentioned in this instrument.

Dated: December 9, 2024




Notary Printed: Kimberly Hawes
Residing at: Oak Harbor
My appointment expires: Aug. 18, 2028

LEGAL DESCRIPTION
For full legal description see Exhibit A attached

Below is the legal description as of the most recent assessment roll on the Skagit County Assessor Office

CU F&A #63 AF#813015 1973 TRNSF AF#813922: DR25: DK25: THAT PORTION OF THE NE1/4 SE1/4 & LOT 2 SHORT PLAT# 157-79 APPROVED MARCH 1981 RECORDED MARCH 26, 1981 IN BOOK 5 OF SHORT PLATS, PAGE 41 UNDER AUDITOR'S FILE # 8103260004 & BEING A PORTION OF THE E1/2 OF THE SE1/4 OF SECTION 16, TOWNSHIP 35 NORTH, RANGE 3 EAST, W.M., LYING NORTHERLY & WESTERLY OF THE FOLLOWING DESCRIBED LINE; BEGINNING AT THE SE CORNER OF SAID LOT 2 OF SHORT PLAT# 157-79; THENCE WEST, ALONG THE NORTH LINE OF ALLEN WEST ROAD, 1,012.26 FEET MORE OR LESS, TO THE SW CORNER OF A TRACT MARKED EXCEPTION ON THE FACE OF SAID SHORT PLAT, SAID POINT BEING THE TRUE POINT OF BEGINNING OF THIS LINE DESCRIPTION; THENCE NORTH, ALONG THE WEST LINE OF SAID EXCEPTION TRACT, 208.70 FEET TO THE NW CORNER THEREOF; THENCE EAST, ALONG SAID NORTH LINE, 208.70 FEET TO THE NE CORNER OF SAID EXCEPTION TRACT; THENCE EAST, PARALLEL WITH THE SOUTH LINE OF SAID SECTION 16, 155.56 FEET, MORE OR LESS, TO A POINT 648 FEET WEST OF THE EAST LINE OF SAID SECTION; THENCE NORTH, PARALLEL WITH THE EAST LINE OF SAID SECTION 16 & DISTANCE 648 FEET WESTERLY THEREFROM, & A DISTANCE OF 2,444.65 FEET, MORE OR LESS, TO THE NORTH LINE & A DISTANCE OF 648 FEET WESTERLY THEREFROM, A DISTANCE OF 2,433.65 FEET, MORE OR LESS, TO THE NORTH LINE OF THE SE1/4 OF SAID SECTION 16 & THE TERMINUS OF THE LINE DESCRIPTION. EXCEPT THE FOLLOWING DESCRIBED PARCEL: COMMENCING AT THE SOUTHEAST CORNER OF SAID LOT 2; THENCE WEST, ALONG THE NORTH LINE OF ALLEN WEST ROAD, A DISTANCE OF 1,012.26 FEET, MORE OR LESS, TO THE SOUTHWEST CORNER OF A TRACT MARKED, 'EXEMPTION' ON THE FACE OF SAID SHORT PLAT, SAID POINT BEING THE TRUE POINT OF BEGINNING; THENCE NORTH, ALONG THE WEST LINE OF SAID 'EXEMPTION' TRACT, AND SAID LINE EXTENDED NORTH, A DISTANCE OF 500.00 FEET; THENCE WEST A DISTANCE OF 350.00 FEET, MORE OR LESS, TO THE WEST LINE OF SAID LOT 2; THENCE SOUTH ALONG SAID WEST LINE A DISTANCE OF 296.3 FEET, MORE OR LESS, TO THE NORTHWEST CORNER OF LOT 1 OF SAID SHORT PLAT NUMBER 157-79; THENCE EAST ALONG THE NORTH LINE OF SAID LOT 1 A DISTANCE OF 234.00 FEET TO THE NORTHEAST CORNER THEREOF; THENCE SOUTH ALONG THE EAST LINE OF SAID LOT 1 A DISTANCE OF 203.70 FEET TO THE NORTH LINE OF ALLEN WEST ROAD; THENCE EAST ALONG SAID NORTH LINE A DISTANCE OF 116.00 FEET, MORE OR LESS, TO THE TRUE POINT OF BEGINNING. SITUATE IN THE COUNTY OF SKAGIT, STATE OF WASHINGTON

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

Dated: _____

Charles Veniez, Manager of Mount Royal Holding II, LLC

EXHIBIT "A"**LEGAL DESCRIPTION**

Parcel Number: 350316-4-001-0009/P34410

PARCEL "A":

That portion of the Northeast 1/4 of the Southeast 1/4 of Section 16, Township 35 North, Range 3 East, W.M., and of Lot 2, Short Plat No. 157-79, approved March 25, 1981, recorded March 26, 1981, in Book 5 of Short Plats, page 41, under Auditor's File No. 8103260004, and being a portion of the East 1/2 of the Southeast 1/4 of Section 16, Township 35 North, Range 3 East, W.M., lying Northerly and Westerly of the following described line:

Beginning at the Southeast corner of said Lot 2 of Short Plat No. 157-79;
thence West along the North line of Allen West Road, a distance of 803.56 feet, more or less, to the Southeast corner of a tract marked "EXCEPTION" on the face of said Short Plat, said point being the true point of beginning of this line description;
thence North, along the East line of said "EXCEPTIONS" tract, a distance of 208.70 feet to the Northeast corner thereof;
thence East, parallel with the South line of said Section 16, a distance of 155.56 feet, more or less, to a point 648.00 feet West of the East line of said Section 16;
thence North parallel with the East line of said Section 16 and distant 648.00 feet Westerly therefrom, a distance of 2,433.65 feet, more or less, to the North line of the Southeast 1/4 of said Section 16 and the terminus of this line description.

EXCEPT that portion described as follows:

Beginning at the Southeast corner of said Lot 2;
thence West, along the North line of Allen West Road, a distance of 1,012.26 feet, more or less, to the Southwest corner of a tract marked "EXCEPTION" on the face of said Short Plat, said point being the true point of beginning;
thence North, along the West line of said "EXCEPTION" tract, and said line extended North, a distance of 500.00 feet;
thence West a distance of 350.00 feet, more or less, to the West line of said Lot 2;
thence South along said West line a distance of 296.3 feet, more or less, to the Northwest corner of Lot 1 of said Short Plat No. 157-79;
thence East along the North line of said Lot 1 a distance of 234.00 feet to the Northeast corner thereof;
thence South along the East line of said Lot 1 a distance of 203.70 feet to the North line of Allen West Road;
thence East along said North line a distance of 116.00 feet, more or less, to the true point of beginning.

Situate in the County of Skagit, State of Washington.

PARCEL "B":

A non-exclusive easement for ingress, egress and utilities over, under and across the East 20 feet of the following described property:

That portion of Lot 2, Short Plat No. 157-79, approved March 25, 1981, recorded March 26, 1981 in Volume 5 of Short Plats, page 41, under Auditor's File No. 8103260004, and being a portion of the East 1/2 of the Southeast 1/4 of Section 16, Township 35 North, Range 3 East, W.M., more particularly described as follows:

Beginning at the Southeast corner of said Lot 2;
thence West, along the North line of Allen West Road, a distance of 1,012.26 feet, more or less, to the Southwest corner of a tract marked "EXCEPTION" on the face of said Short Plat, said point being the true point of beginning;
thence North, along the West line of said "EXCEPTION" tract, and said line extended North, a distance of 500.00

feet;

thence West a distance of 350.00 feet, more or less, to the West line of said Lot 2;

thence South along said West line a distance of 296.3 feet, more or less, to the Northwest corner of Lot 1 of said Short Plat No. 157-79;

thence East along the North line of said Lot 1 a distance of 234.00 feet to the Northeast corner thereof;

thence South along the East line of said Lot 1 a distance of 203.70 feet to the North line of Allen West Road;

thence East along said North line a distance of 116.00 feet, more or less, to the true point of beginning.

Situate in the County of Skagit, State of Washington.