

<b>SBA LOAN NO.</b>
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74914391-01
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**PREPARED BY and UPON RECORDING RETURN TO:**

Chandler Clark  
LEWIS & KAPPES, P.C.  
One American Square, Suite 2500  
Indianapolis, Indiana 46282

**Abbreviated Legal Description:**

UNIT 14, "DIVISION STREET VILLAGE, A  
CONDOMINIUM COMMUNITY"  
Tax Account No.: P125294 / 4910-000-014-0000

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**DEED OF TRUST AND RIDER****Maturity Date: June 4, 2035****Date: June 4, 2025**

**TRUSTOR/GRANTOR: JEFFRY A. SMITH, a married man as his sole and separate property**  
whose mailing address is: **1531 E. Division Street, Mount Vernon, Washington 98274**

**TRUSTEE: MICHAEL CAIRNS**  
whose mailing address is: **1741 Tiburon Drive, Wilmington, North Carolina 28403**

**BENEFICIARY/GRANTEE: LIVE OAK BANKING COMPANY**  
whose mailing address is: **1741 Tiburon Drive, Wilmington, North Carolina 28403**

Property situation in the County of **Skagit**, State of **Washington**, as described as follows:

**See Exhibit A attached hereto and made a part hereof.**

Together with all buildings, improvements and fixtures thereon or hereinafter erected thereon. Street address if any, or identifiable location of this property:

**1531 E. Division Street, Mount Vernon, Washington 98274**

**THIS DEED OF TRUST**, made on the above date by, between and among the TRUSTOR, TRUSTEE and BENEFICIARY above named.

**WITNESSETH:** That Trustor hereby irrevocably grants, conveys, transfers and assigns to the Trustee in Trust, with Power of Sale, the above described real property (the Trust Property), together with leases, issues, profits, or income therefrom (all of which are hereinafter called "property income"). **SUBJECT**, however, to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect

and apply such property income.

**SUBJECT TO:** Current taxes and other assessments, reservation in patents and all easements, rights of way, encumbrances, liens, covenants, conditions, restrictions, obligations, and liabilities as may appear of record.

**FOR THE PURPOSE OF SECURING:**

- A. Guarantee of the payment of the indebtedness in the principal sum of **One Million Six Hundred Fifty-Five Thousand and NO/100 Dollars (\$1,655,000.00)** evidenced by a Promissory Note of even date herewith with interest on the unpaid principal balance at the rate of Wall Street Journal Prime Rate plus 2.00 percent per annum, adjusted every calendar quarter, and any extension or renewal thereof, executed by **Juno Holdings Inc** in favor of Beneficiary or order.
- B. Payment of additional sums and interest thereon which may hereafter be loaned to Trustor, or its successors or assigns, when evidenced by a Promissory Note or Notes reciting that they are secured by a Deed of Trust.
- C. Performance of each agreement of Trustor herein contained.

**TO PROTECT THE SECURITY OF THIS DEED OF TRUST, TRUSTOR AGREES:**

1. To keep said property in good condition and repair; not to remove or demolish any building, thereon; to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged, or destroyed thereon, and to pay when due all claims for labor performed and materials furnished therefore; to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon; not to commit or permit waste thereof; not to commit, suffer, or permit any act upon said property in violations of law; and do all other acts which from the character or use of said property may be reasonably necessary, the specific enumerations herein not excluding the general.

2. To provide, maintain, and deliver to Beneficiary fire insurance satisfactory to and with loss payable to Beneficiary. The amount collected under any fire or other insurance policy may be applied by Beneficiary upon any indebtedness secured hereby and in such order as Beneficiary may determine, or at option of Beneficiary the entire amount so collected or any part thereof may be released to Trustor. Such application or release shall not cure or waive any default or notice of Trustee's sale hereunder or invalidate any act done pursuant to such notice.

3. To appear in and 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 of Beneficiary and Trustee, including cost of evidence of title and attorney's fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear or be named, and in any suit brought by Beneficiary or Trustee to foreclose this Deed of Trust.

4. To pay, at least 10 days before delinquent, all taxes and assessments affecting said property; when due, all encumbrances, charges, and liens, with interest, on said property or any part thereof, which appear to be prior or superior hereto; all costs, fees, and expenses of this Trust, including, without limiting the generality of the foregoing, the fees of Trustee for issuance of any Deed of Partial Release and Partial Reconveyance or Deed of Release and full Reconveyance, and all lawful charges, costs, and expenses in the event of reinstatement of, following default in, this Deed of Trust or the obligations secured hereby.

Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof. Beneficiary or Trustee being authorized to enter upon

said property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or power of Beneficiary or Trustee; pay, purchase, contest, or compromise any encumbrance, charge, or lien which in the judgment of either appears to be prior or superior hereto; and, in exercising any such powers, pay necessary expenses, employ counsel, and pay his reasonable fees.

5. To pay immediately and without demand all sums expended by Beneficiary or Trustee pursuant to the provisions hereof, together with interest from date of expenditure at the same rate as is provided for in the note or notes secured by this Deed of Trust or at the legal rate if it secures a contract or contracts other than a promissory note or notes. Any amounts so paid by Beneficiary or Trustee shall become a part of the debt secured by this Deed of Trust and a lien on said premises or immediately due and payable at option of Beneficiary or Trustee.

**IT IS MUTUALLY AGREED:**

6. That any award of damages in connection with any condemnation or any such taking, or for injury to the property by reason of public use, or for damages for private trespass or injury thereto, is assigned and shall be paid to Beneficiary as further security for all obligations secured hereby (reserving unto the Trustor, however, the right to sue therefore and the ownership thereof subject to this Deed of Trust), and upon receipt of such moneys Beneficiary may hold the same as such further security, or apply or release the same in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.

7. That time is of the essence of this Deed of Trust, and that by accepting payment of any sum secured hereby after its due date, Beneficiary does not waive its right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.

8. That at any time or from time to time, and without notice, upon written request of Beneficiary and presentation of this Deed of Trust and said note(s) for endorsement, and without liability therefor, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, and without affecting the security hereof for the full amount secured hereby on all property remaining subject hereto, and without the necessity that any sum representing the value or any portion thereof of the property affected by the Trustee's action be credited on the indebtedness, the Trustee may: (a) release and reconvey all or any part of said property; (b) consent to the making and recording, or either, of any map or plat of the property or any part thereof; (c) join in granting any easement thereon; (d) join in or consent to any extension agreement or any agreement subordinating the lien, encumbrance, or charge hereof.

9. That upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed of Trust and said note(s) to Trustee for cancellation, and upon payment of its fees, Trustee shall release and reconvey, without covenant or warranty, express or implied, the property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto."

10. That as additional security, Trustor hereby gives to and confers upon Beneficiary the right, power, and authority, during the continuance of this Trust, to collect the property income, reserving to Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such property income as it becomes due and payable. Upon any such default, Beneficiary may at any time, without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in his own name sue for or otherwise collect such property income, including that past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon

any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of said property, the collection of such property income, and the application thereof as aforesaid, shall not cure or waive any default or notice of Trustee's sale hereunder or invalidate any act done pursuant to such notice.

11. That upon default by Trustor in the payment of any indebtedness secured hereby or in performance of any agreement hereunder, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written notice thereof, setting forth the nature thereof, and of election to cause to be sold said property under this Deed of Trust. Beneficiary also shall deposit with Trustee this Deed of Trust, said note(s), and all documents evidencing expenditures secured hereby.

Trustee shall record and give notice of Trustee's sale in the manner required by law, and after the lapse of such time as may then be required by law, subject to the statutory rights of reinstatement, the Trustee shall sell, in the manner required by law, said property at public auction at the time and place fixed by it in said notice of Trustee's sale to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone or continue the sale by giving notice of postponement or continuance by public declaration at the time and place last appointed for the sale. Trustee shall deliver to such purchaser its Deed conveying the property so sold, but without any covenant or warranty, expressed or implied. Any persons, including Trustor, Trustee, or Beneficiary, may purchase at such sale.

After deducting all costs, fees, and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale and reasonable attorney's fees, Trustee shall apply the proceeds of sale to payment of all sums then secured hereby and all other sums due under the terms hereof, with accrued interest, and the remainder, if any, to the person or persons legally entitled thereto. To the extent permitted by law, an action may be maintained by Beneficiary to recover a deficiency judgment for any balance due hereunder.

In the alternative to foreclose by trustee's sale, the Beneficiary may foreclose by judicial proceedings, and in such event, the election to declare the unpaid balance immediately due and payable may be made in the complaint. In such judicial proceedings, Beneficiary shall be entitled to reasonable Attorney's fees, costs of foreclosure report, and all sums advanced with interest as provided in paragraphs four (4) and five (5) herein.

It is hereby expressly covenanted and agreed by all parties hereto that the Lender may, at any time and from time to time hereafter, without notice, appoint and substitute other corporations or persons as Trustee or Trustees hereunder, in place of the Trustee herein named to execute this trust. Upon such appointment, either with or without a conveyance to such substituted Trustee or Trustees by the Trustee herein named, or by any substituted Trustee in case the said right of appointment is exercised more than once, the new and substituted Trustee or Trustees in each instance shall be vested with all the rights, titles, interests, powers, duties and trusts in the premises which are vested in and conferred upon the Trustee herein named; and such new and substituted Trustee or Trustees shall be considered the successors and assigns of the Trustee who is named herein within the meaning of this instrument, and substituted in his place and stead. Such appointment(s) and substitution(s) shall be evidenced by an instrument in writing which shall recite the parties to, and the book and page of record of this deed of trust, and the description of the real property herein described, which instrument, executed and acknowledged by the Lender and recorded in the office(s) of the Clerk of the County Commission of the County wherein the Property is situate, shall be conclusive proof of the proper substitution(s) and appointment(s) of such successor Trustee or Trustees, and notice of such proper substitution(s) and appointment(s) to all parties in interest.

12. That Trustee accepts this Trust when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law. 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 Trustor, Beneficiary, or Trustee

shall be a party unless brought by Trustee. The undersigned Trustor requests that a copy of any notice of Trustee's sale hereunder be mailed to it at its address hereinbefore set forth.

**13. Appraisal.** The Grantor agrees to allow the Lender, or its authorized agents, to inspect the Property and conduct appraisals at any reasonable time and upon written notice. Grantor also agrees to pay for any such inspections and appraisals, unless otherwise agreed by the Lender in writing.

*The loan secured by this lien was made under a United States Small Business Administration (SBA) nationwide program which uses tax dollars to assist small business owners. If the United States is seeking to enforce this document, then under SBA regulations:*

- a) *When SBA is the holder of the Note, this document and all documents evidencing or securing this Loan will be construed in accordance with federal law.*
- b) *Lender or SBA may use local or state procedures for purposes such as filing papers, recording documents, giving notice, foreclosing liens, and other purposes. By using these procedures, SBA does not waive any federal immunity from local or state control, penalty, tax or liability. No Borrower or Guarantor may claim or assert against SBA any local or state law to deny any obligation of Borrower, or defeat any claim of SBA with respect to this Loan.*

Any clause in this document requiring arbitration is not enforceable when SBA is the holder of the Note secured by this instrument.

The property is not principally used for agricultural purposes.

TRUSTOR:

Jeffrey A. Smith  
Jeffrey A. Smith, individually

STATE OF ARKANSAS )  
 ) SS:  
COUNTY OF BENTON )

On this the 4<sup>th</sup> day of June, 2025 before me, Blake P. Hanby, the undersigned officer, personally appeared **Jeffrey A. Smith**, individually known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument and acknowledged that he/she/they executed the same for the purposes therein contained.

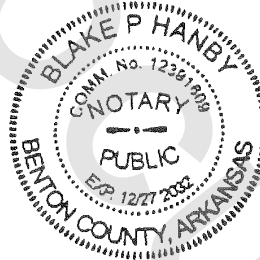
In witness whereof I hereunto set my hand and official seal.

Blake P. Hanby  
Notary Public

Printed Name: Blake P. Hanby

My Commission Expires:

12/27/2032



**EXHIBIT A  
LEGAL DESCRIPTION**

UNIT 14, "DIVISION STREET VILLAGE, A CONDOMINIUM COMMUNITY", AS PER SURVEY MAP AND SET OF PLANS RECORDED DECEMBER 1, 2006, UNDER AUDITOR'S FILE NO. 200612010119, AND CONDOMINIUM DECLARATION AS RECORDED DECEMBER 1, 2006, UNDER AUDITOR'S FILE NO. 200612010120, RECORDS OF SKAGIT COUNTY, WASHINGTON. SITUATE IN THE COUNTY OF SKAGIT, STATE OF WASHINGTON.

**APN: P125294 / 4910-000-014-0000**

**Property more commonly known as 1531 E. Division Street, Mount Vernon, Washington 98274**

**DEED OF TRUST RIDER****DUE ON SALE PROVISION**

If Trustor sells, assigns, pledges, mortgages, leases, encumbers, or otherwise transfers or conveys (whether voluntarily or by operation of law) all or any part of its interest in all or any part of the Property, then Trustor shall be in default under this Deed of Trust and Beneficiary shall have the right, in addition to any and all other rights and remedies that may be available to Beneficiary, at Beneficiary's option, to declare the unpaid principal balance of the Note and all accrued interest thereon, together with any and all sums advanced hereunder, immediately due and payable in full without notice.