

When Recorded Return To:

Holland & Knight LLP
1180 West Peachtree Street, NW
Suite 1800
Atlanta, GA 30309
Attention: Drew Gandy

LAND TITLE 215152-UT

Document Title: WASHINGTON SECURITY INSTRUMENT, SECURITY AGREEMENT AND FIXTURE FILING
Reference Number(s) of Documents assigned or released: N/A
Grantor(s): SKAGIT HABITAT FOR HUMANITY, a Washington nonprofit corporation
Grantee(s): 1. US PROPERTY ACQUISITION FUND, LLC, a Delaware limited liability company (Beneficiary) 2. LAND TITLE ESCROW COMPANY (Trustee)
Legal description (abbreviated): Ptn SE SE, 24-35-1 E W.M. Full legal is on page [] (Exhibit A) of document.
Assessor's Property Tax Parcel/Account Number 350124-0-117-0000/P31894 350124-0-119-0008/P31896

Error! Unknown document property name.

**WASHINGTON SECURITY INSTRUMENT, SECURITY AGREEMENT
AND FIXTURE FILING**

This WASHINGTON SECURITY INSTRUMENT, SECURITY AGREEMENT AND FIXTURE FILING (including any exhibits and/or riders attached hereto, and any modifications and amendments hereof, the "Security Instrument"), is made as of June 30, 2025 by **SKAGIT HABITAT FOR HUMANITY**, a Washington nonprofit corporation ("Grantor"), having an address of 1022 Riverside Dr., Mount Vernon, WA 98273, and is hereby granted and conveyed to **LAND TITLE ESCROW COMPANY** ("Trustee"), having an address of 111 E George Hopper Road, Burlington, WA 98233, for the benefit of **US PROPERTY ACQUISITION FUND, LLC**, a Delaware limited liability company ("Beneficiary"), having an address of 285 Peachtree Center Avenue NE, Suite 2700, Atlanta, Georgia 30303-1220.

Grantor is indebted to Beneficiary, as evidenced by that certain Promissory Note dated as of the date hereof, executed in favor of Beneficiary in the principal sum of Two Million and No/100 Dollars (\$2,000,000.00), plus interest thereon at the rate specified therein and having a final maturity date of June 30, 2030 (together with any renewals, extensions, modifications, restatements, amendments, consolidations, substitutions or refinancings thereof collectively, the "Note"). In addition to and in connection with that certain Loan Agreement dated as of the date hereof, by and between Grantor and Beneficiary (together with any renewals, extensions, modifications, restatements, amendments, consolidations, substitutions or refinancings thereof, collectively, the "Loan Agreement"), the Note and this Security Instrument, the parties have entered, and from time to time may enter certain other promissory notes, advance agreements, other evidences of indebtedness, loan agreements, credit agreements, security agreements, financing statements, guaranty agreements, applications and agreements for commercial or standby letters of credit, certificates, instruments and other documents executed in connection therewith or related thereto, whether executed contemporaneously with the Note or any time thereafter, and all renewals, extensions, modifications, restatements, amendments, substitutions, consolidations, and refinancings thereof and therefor (collectively with the Note and this Security Instrument, the "Loan Documents").

For the purposes and under the conditions described in this Security Instrument, and in consideration of the Indebtedness (as hereinafter defined) and mutual promises, Grantor does by these presents grant, bargain, sell, convey and warrant unto Trustee, its successors and assigns for the benefit of Beneficiary, its successors and assigns, all of Grantor's right, title and interest in, to and under the real property, located in Skagit County, Washington, and more particularly described on **Exhibit A**, attached hereto and incorporated herein by reference (the "Real Property"), together with (i) all buildings, structures, roads, walkways, parking areas, recreation facilities and other improvements now or hereafter located on the Real Property or on any part or parcel of the Real Property (the "Improvements"); (ii) all tenements, hereditaments, easements and appurtenances belonging to the Real Property or in any way appertaining to the Real Property, now or hereafter belonging to or to be used in connection with the Real Property or on any part or parcel of the Real Property; (iii) the Collateral (as hereinafter defined); (iv) all equipment, machinery, apparatus, fittings, fixtures, furniture, furnishings and personal property of every kind or description whatsoever now or hereafter located on the Real Property or on any part or parcel of the Real Property or in or on any of the Improvements, and used in connection with the operation or maintenance of the Real Property or any of the Improvements, including, without limitation, all plumbing, lighting, ventilating, refrigerating, water-heating, incinerating, air-conditioning and heating, and sprinkling equipment and systems, all screens, awnings and signs, and all accessions and additions to and replacements of the foregoing and all proceeds (direct and remote) of the foregoing; (v) all rights in now existing and hereafter arising easements, rights of way, rights of access, water rights and courses, sewer rights, air rights, development rights and other rights relating to the Real Property or on any part or parcel of the Real Property or any of the Improvements; (vi) all as-extracted property of any type and form including without limitation all gas, oil and mineral rights of every nature and kind, all timber-to-be-cut and all other rights now or hereafter located on the Real Property or

under the Real Property or on or under any part or parcel of the Real Property, and all of Grantor's rights to or arising directly or indirectly out of all as-extracted collateral; (vii) all of Grantor's rights as a declarant or developer under any declaration of condominium, homeowners' association declaration, bill of assurances, restrictive covenants, protective covenants, commercial property owner's association or similar organization or association or development documentation now or hereafter in effect with respect to the Real Property; (viii) all authorizations, licenses, permits, contracts, management agreements, franchise agreements, and occupancy and other certificates concerning the ownership, use and operation of the Real Property; (ix) all plans and specifications prepared for construction of the Improvements on the Real Property and all studies, data and drawings related thereto, together with all contracts and agreements of Grantor relating to the aforesaid plans and specifications or to the aforesaid studies, data and drawings, or to the construction of the Improvements on the Real Property; (x) all leases, undertakings to lease, contracts to rent, and other agreements for use, occupancy or possession now or hereafter in force with respect to the Real Property or any part or parcel of the Real Property or any of the Improvements, any and all guaranties of the foregoing, and any and all other leases, occupancy agreements, contracts, licenses, permits and arrangements now or hereafter affecting the Real Property or any part or parcel of the Real Property or any of the Improvements, whether written or oral and whether now or hereafter existing; (xi) all rents, issues, income, revenues and profits now or hereafter accruing from, and all accounts and contract rights now or hereafter arising in connection with, the Real Property or any part or parcel of the Real Property or any of the Improvements, including, without limitation, all rents, issues, income, revenues and profits accruing from, and all accounts and contract rights arising in connection with, the leases, together with all monies and proceeds now or hereafter due or payable with respect thereto or on account thereof, and all security deposits, damage deposits and other funds paid by any lessee, sublessee, tenant, subtenant, licensee, permittee or other obligee under any leases, subleases, licenses or permits, whether paid in a lump sum or installments; (xii) all building materials, supplies, goods, machinery and equipment delivered to the Real Property and placed on the Real Property for the purpose of being affixed to or installed or incorporated or otherwise used in or on the Real Property or any part or parcel of the Real Property or any of the Improvements, and all accessions and additions to and replacements of the foregoing and all proceeds (direct or remote) of the foregoing; (xiii) all payments, awards, judgments and settlements (including interest thereon) to which Grantor may be or become entitled as a result of the exercise of the right of eminent domain with respect to the Real Property or any part or parcel of the Real Property or any of the Improvements; (xiv) all policies of insurance whether currently in existence or hereafter coming into existence which insure against loss or damage to any property described above, including, without limitation, the Real Property and the Improvements and all proceeds from and payments under such policies; (xv) all franchises, names, tradenames, signs, marks and trademarks under which any business located on the Real Property is operated or known; and (xvi) all substitutions, accessions, additions and replacements to any of the foregoing and all products and proceeds of any of the foregoing, or with respect to the Real Property (collectively the "Property").

TO HAVE AND TO HOLD the Property and all parts, rights, members and appurtenances thereof, unto and to the use and benefit of Trustee, in trust, with power of sale, for the benefit of Beneficiary. This Security Instrument secures payment and performance of the following indebtedness and obligations to Beneficiary (collectively the "Indebtedness"):

A. All principal, interest, and other amounts, costs, fees, charges, and expenses payable to Beneficiary under the Note or any Loan Document, and any obligations of Grantor under interest rate swap transactions, interest rate cap and/or floor transactions, interest rate collar transactions, swap agreements or other similar transaction or agreement;

B. All future advances, future obligations and readvances pursuant to the Loan Documents made by Beneficiary to Grantor, or any one or more of them, to the same extent as if such future advances were made on the date of the execution hereof, even if no advance is made at the time of such execution or if no amount is owed or outstanding at the time any such advance is made, including without limitation any

advances to pay any draft or drawing on any commercial or standby letter of credit issued on the account of Grantor, whether or not the advances are related or unrelated to the purpose of the loan evidenced by the Note, are of the same class as the loan evidenced by Note, made pursuant to a commitment, are obligatory or made at the option of Beneficiary or otherwise, and whether such advances are made before or after default, maturity or other similar events;

C. All other obligations, debts and other liabilities, plus interest thereon, under the Loan Documents of Grantor to Beneficiary and any affiliate of Beneficiary, whether now or hereafter existing, direct or indirect, absolute or contingent, liquidated or unliquidated, related or unrelated to the purposes of the Note, voluntary or otherwise, determined or undetermined, due or not due, made individually or jointly, and whether incurred or given as maker, endorser, guarantor, surety, accommodation party or otherwise, and whether the same be evidenced by a note, open account, assignment, endorsement, guaranty, pledge or otherwise and all interest thereon, and whether recovery upon such amounts may be or hereafter may become barred by any statute of limitations, and whether the obligation to repay such amounts may be or hereafter may become otherwise unenforceable; and all obligations of Grantor to Beneficiary or any affiliate of Beneficiary for any services, including but not limited to, treasury or other cash management services, merchant services processing, payroll services, and business or commercial credit card; and

D. The payment and performance of all other obligations set forth in the Loan Documents, all sums expended or advanced by Beneficiary to protect, insure and preserve the Property, including without limitation all taxes, insurance premiums, environmental reports, appraisals, and all costs and expenses of collection of the Indebtedness and enforcement of this Security Instrument and the Loan Documents, and all charges and expenses of assembly, collection, preservation and disposition of the Property and the Collateral.

Grantor (and where more than one, each jointly and severally) covenants, agrees and consents to the following terms, covenants, and conditions:

1. **PAYMENT AND PERFORMANCE.** The Note and other Indebtedness shall be promptly paid at the time and in the manner therein provided. The lien of this Security Instrument shall remain in full force and effect during any postponement or extension of the time of payment of or any other modification relating to the Indebtedness or any part thereof secured hereby. Notwithstanding the reduction to a zero (\$0) balance of the outstanding principal amount of the Note or any Indebtedness, the lien and interest under this Security Instrument shall not be released or extinguished by operation of law or the implied intent of the parties, and this Security Instrument and the Note shall remain in full force and effect as to any subsequent advances made after any such zero balance until all Indebtedness secured by this Security Instrument is paid in full and satisfied, all agreements of Beneficiary to make additional advances have been terminated, and this Security Instrument has been canceled of record. Grantor shall timely pay and perform any obligation, covenant or warranty contained not only in this Security Instrument or the Loan Documents but also in any other deed of trust, mortgage or writing which gives rise to, or which may constitute a lien upon any of the Property, provided, however, that this covenant shall not be construed as Beneficiary's authorization or consent to the creation or existence of any other deed of trust or any other writing constituting a lien on any of the Property. Upon request of Beneficiary, Grantor promptly shall furnish satisfactory evidence of such payment or performance.

2. **TITLE TO PROPERTY.** Grantor represents and covenants that Grantor is lawfully seized of the Property in fee simple absolute (or such other estate; if any, as is stated above), that Grantor has good, right, and lawful authority to sell, convey or encumber the same, and that the Property is free and clear of all liens and encumbrances whatsoever except as otherwise approved in writing by the Beneficiary or listed in the title opinion or title insurance policy obtained by Beneficiary in the transaction in which this Security Instrument was granted. Grantor represents and warrants that the provisions of this Security Instrument do

not conflict with or result in a default under any agreement or other instrument binding on Grantor and do not result in any violation of law, regulation, court order or decree applicable to Grantor, and that Beneficiary has not made any representation to Grantor about the creditworthiness or financial condition of Grantor. Grantor further covenants to warrant and forever defend title to the Property, at Grantor's expense, from and against all persons whomsoever claiming the same or any part thereof. In the event any action or proceeding is commenced that questions Grantor's title or the interest of Beneficiary under this Security Instrument, Grantor may be the nominal party in such proceeding, but Beneficiary shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of Beneficiary's own choice at Grantor's expense, and Grantor shall promptly execute and deliver, or cause to be promptly executed and delivered, to Beneficiary such instruments as Beneficiary may request from time to time to permit such participation. The representations and covenants set forth above shall survive the payment of the Indebtedness and shall not be affected by Beneficiary's acquisition of any title to or interest in the Property.

3. **COMPLIANCE WITH APPLICABLE LAWS.** Grantor shall promptly comply with all laws, regulations and ordinances, now and hereafter in effect, of all governmental authorities applicable to the use or occupancy of the Property. Grantor may contest in good faith any such law, ordinance, or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Grantor has notified Beneficiary in writing prior to doing so and so long as, in Beneficiary's sole opinion, Trustee's and Beneficiary's interests in the Property are not jeopardized. Beneficiary may require Grantor to post adequate security or a surety bond, reasonably satisfactory to Beneficiary, to protect Trustee's and Beneficiary's interest.

4. **DUTY TO PAY TAXES, PREMIUMS.** Grantor shall pay as they become due all insurance premiums, taxes, assessments, water rates, and other governmental or municipal charges, fines or imposition, assessed against the Property. Upon the request of Beneficiary, Grantor shall promptly furnish satisfactory evidence of such payment or performance. Grantor shall authorize the appropriate governmental officer to deliver to Beneficiary a written statement of taxes and assessments against the Property. If Grantor fails to make any payments provided for in this section, or any other payments for taxes, assessments or the like, Beneficiary may pay the same and all sums so paid shall bear interest at the same rate as from time to time in effect under the Note (from the date of such advance) and shall be secured by this Security Instrument. Upon demand, Grantor shall immediately reimburse Beneficiary for any such funds so advanced. The failure, refusal or neglect of Grantor to pay any of the taxes assessed against the Property before any interest or penalty attaches thereto and to provide adequate security therefor or to keep the Property adequately insured as hereinafter provided, or to pay the premiums therefor shall constitute waste. Upon the happening of any act of waste and on proper application made therefor by Beneficiary to a court of competent jurisdiction, Beneficiary shall forthwith be entitled to the appointment of a receiver of the Property and any and all earnings, rents, income, issue and profits thereof, with such powers as the court making such appointment shall confer. Grantor hereby irrevocably consents to such appointment and waives notice of any application therefor. Upon demand of Beneficiary, Grantor shall deposit with Beneficiary or, at Beneficiary's option, add to each payment required under the Note the amount estimated by Beneficiary to be sufficient to enable Beneficiary to pay as they become due all taxes, charges, assessments, and insurance premiums which Grantor is required to pay. Further, any deficiency occasioned by an insufficiency of such additional payments shall be deposited by Grantor with Beneficiary upon demand.

5. **MECHANICS' AND OTHER LIENS.** Grantor shall pay, from time to time when the same shall become due, all claims and demands of any agents, brokers, mechanics, materialmen, laborers or others, and for work performed or materials furnished, or the like which if unpaid might result in, or permit the creation of, a lien on the Property or any part thereof, or on the revenues, rents, issues, income or profits arising therefrom. In general, Grantor shall do, or cause to be done, at the cost of Grantor and without

expense to Beneficiary, everything necessary to fully preserve the first priority lien of this Security Instrument. In the event Grantor fails to make payment of such claims and demands, Beneficiary may make payment thereof, and all sums so paid shall bear interest at the same rate as from time to time in effect under the Note (from the date of such advance) and shall be secured by this Security Instrument. Grantor shall, on demand, reimburse Beneficiary for all sums so expended. Notwithstanding the foregoing, Grantor may bond or otherwise discharge any such claim or demand which is contested, in form and substance satisfactory to Beneficiary.

6. DUTY TO MAINTAIN. Grantor shall keep the Property, and the Improvements of any kind now or hereafter erected, in as good order and condition on the date hereof, reasonable wear and tear excepted, and shall not commit or permit any waste thereof. Grantor shall promptly perform all repairs, replacements, and maintenance necessary to preserve the value of the Property. Grantor shall not demolish or remove any Improvements from the Real Property without Beneficiary's prior written consent. As a condition to the removal of any Improvements, Beneficiary may require that Grantor make arrangements satisfactory to Beneficiary to replace such Improvements with Improvements of at least equal value. Grantor shall not cause, conduct or permit any nuisance or allow the removal of any timber, minerals (including oil and gas), coal, soil, rock, or gravel products without Beneficiary's prior written consent. Grantor shall not initiate or acquiesce in a change in the zoning classification of the Real Property or the Improvements or make or permit any structural alteration thereof without Beneficiary's prior written consent.

7. INSPECTIONS; APPRAISALS. Beneficiary may, at the expense of Grantor, at any reasonable time and from time to time make or cause to be made reasonable entries upon, investigations, and inspections of the Property, including without limitation any inspections or investigations such as sampling and testing which may be necessary or desirable to review compliance with Environmental Laws, as hereinafter defined. Should (a) Beneficiary at any time in good faith believe that the fair market value of the Property has declined below the appraised value utilized by Beneficiary in extending credit or any renewal thereof; (b) there be an Event of Default under the Note, any Loan Documents or this Security Instrument; (c) there be a forbearance or restructure of any Indebtedness secured under this Security Instrument; (d) any applicable law or regulation require Beneficiary to obtain a current appraisal or valuation; (e) there be any condemnation or material damage to the Property; (f) Beneficiary determines in its sole discretion that there has been a material adverse change in the financial condition, business operations or business prospects of Grantor, any guarantor, or other obligor; (g) Grantor requests additional extensions of credit secured by this Security Instrument; or (h) Grantor's use of the Property becomes restricted, impaired or materially changed from its intended use on the date hereof; Beneficiary may, without notice to or consent from Grantor and at the expense of Grantor, obtain an appraisal or valuation of the Property from an appraiser retained by Beneficiary and thereafter, may obtain such updated appraisals or valuation as Beneficiary shall deem appropriate. Grantor shall cooperate fully with any such appraiser in connection with the preparation of any appraisal or valuation. Upon demand, Grantor shall reimburse Beneficiary for any costs incurred pursuant to this Section. All costs so paid shall bear interest at the same rate as from time to time in effect under the Note (from the date of such advance), and shall be secured by this Security Instrument.

8. PROPERTY INSURANCE.

8.1 Maintenance of Insurance. Grantor shall procure and maintain, and cause each tenant and subtenant of the Property to procure and maintain, policies of fire insurance with standard extended coverage endorsements on a fair value basis for the full insurable value covering all Improvements on the Property in an amount sufficient to avoid application of any coinsurance clause, and with a standard Beneficiary clause in favor of Beneficiary. Grantor shall also procure and maintain, and cause each tenant and subtenant of the Property to procure and maintain, comprehensive general liability insurance in such coverage amounts as Beneficiary may request, with Beneficiary being named as additional insured in such liability insurance policies. Additionally, Grantor shall maintain such other insurance, including but not

limited to hazard, business interruption, and boiler insurance, as Beneficiary may reasonably require. Policies shall be written in form, amounts, coverages and basis reasonably acceptable to Beneficiary and issued by a company or companies reasonably acceptable to Beneficiary. In all cases and at all times, such insurance policies shall be compliant with applicable law. All policies shall provide that the carrier shall have no right to be subrogated to Beneficiary. Grantor, upon request of Beneficiary, shall deliver to Beneficiary from time to time the policies or certificates of insurance in form satisfactory to Beneficiary, including stipulations that coverages shall not be cancelled or diminished without at least thirty (30) days prior written notice to Beneficiary. Each insurance policy also shall include an endorsement providing that coverage in favor of Beneficiary shall not be impaired in any way by any act, omission or default of Grantor or any other person. If the Property is located in an area now or in the future designated by the Administrator of the Federal Emergency Management Agency as a special flood hazard area, Grantor shall obtain and maintain Federal Flood Insurance, if available, or private flood insurance acceptable to Beneficiary in its sole discretion for the full unpaid principal balance of the Indebtedness and any prior liens on the Property securing the Indebtedness, or as otherwise required by Beneficiary. Grantor may furnish the required insurance whether through existing policies owned or controlled by Grantor or through equivalent insurance from any insurance company authorized to transact business in the State of Washington. If Grantor fails to provide any required insurance or fails to keep such insurance in force, Beneficiary may procure such insurance at Grantor's expense, and all sums so paid shall bear interest at the same rate as from time to time in effect under the Note (from the date of such advance) and shall be secured by this Security Instrument.

8.2 Authority to settle claims. Grantor shall promptly notify Beneficiary of any loss or damage to the Property. Beneficiary may make proof of loss if Grantor fails to do so within fifteen (15) days of the casualty. Beneficiary is hereby authorized and empowered to, and its option may, adjust or compromise any loss under any insurance policies and to collect and receive the proceeds from any policy or policies. Each insurance company is hereby authorized and directed to make payment for all such losses directly to Beneficiary, instead of to Grantor and Beneficiary jointly. In the event any insurance company fails to disburse directly and solely to Beneficiary but disburses instead either solely to Grantor or to Grantor and Beneficiary jointly, Grantor agrees immediately to endorse and transfer such proceeds to Beneficiary. Upon the failure of Grantor to endorse and transfer such proceeds as aforesaid, Beneficiary may execute such endorsements or transfer for and in the name of Grantor and Grantor hereby irrevocably appoints Beneficiary as Grantor's agent and attorney-in-fact so to do, which shall constitute a power coupled with an interest by virtue of this Security Instrument. Beneficiary shall not be held responsible for any failure to collect any insurance proceeds due under the terms of any policy regardless of the cause of such failure. Any proceeds which have not been disbursed within 180 days after their receipt and for which Beneficiary has not committed to the repair or restoration of the Property shall be used first to pay any amount owing to Beneficiary under this Security Instrument, then to pay accrued interest, and the remainder, if any, shall be applied to the principal balance of the Indebtedness. If Beneficiary holds any proceeds after payment in full of the Indebtedness, such proceeds shall be paid to Grantor as Grantor's interests may appear.

8.3 Unexpired Insurance at Sale. Any unexpired insurance shall inure to the benefit of, and pass to, the purchaser of the Property at any sale held under the provisions of this Security Instrument, or at any foreclosure or trustee's sale of such Property.

8.4 Grantor's Report on Insurance. Upon request of Beneficiary, Grantor shall furnish to Beneficiary a report on each existing policy of insurance showing: (a) the name of the insurer; (b) the risks insured; (c) the amount of the policy and any applicable deductibles and co-insurance amounts; (d) the Property insured, (e) the then current replacement value of such Property, and the manner of determining that value; and (f) the expiration date of the policy. Grantor shall, upon request of Beneficiary, have an independent appraiser satisfactory to Beneficiary determine the cash value replacement cost of the Property.

9. ASSIGNMENT OF LEASES, RENTS AND PROFITS. Grantor hereby presently, absolutely, and unconditionally assigns to Beneficiary all of the leases, rents, issues and profits of the Property and the

absolute, unconditional, and continuing right to receive and collect all of the leases, rents, issues and profits of the Property, it being intended that this assignment constitutes a present, outright, continuing and absolute assignment and not an assignment for additional security only. The assignment set forth herein is intended to be specific, perfected, and choate upon recording as provided in RCW 7.28.230(3). Beneficiary may elect to collect any and all rents, issues and profits at any time whether or not any Event of Default or default has occurred or is continuing under this Security Instrument or any Loan Document. Grantor hereby irrevocably appoints Beneficiary as Grantor's attorney-in-fact to collect any leases, rents, issues and profits, and endorse checks therefor, with or without suit, and to apply the same, less expenses of collection, to any Indebtedness secured by this Security Instrument, in any manner as Beneficiary may determine. Such appointment shall be a power coupled with an interest and shall remain in full force and effect as long as any portion of the Indebtedness remains outstanding. Notwithstanding the foregoing, Beneficiary hereby grants to Grantor a revocable license to collect and receive all leases, rents, issues and profits of the Property until the occurrence and during the continuance of an Event of Default at which time such license shall automatically cease and terminate and shall be void and of no further effect. Upon the occurrence and during the continuance of an Event of Default, any portion of the leases, rents, issues and profits received and held by Grantor shall be held in trust for the benefit of Beneficiary for use in the payment of the Indebtedness. Beneficiary's election to pursue the collection of the leases, rents, issues or profits shall be in addition to all other remedies which Beneficiary might have and may be put into effect independently of or concurrently with any other remedy. Nothing contained in this section shall diminish, alter, impair, or affect any other rights and remedies of Beneficiary, including but not limited to, appointment of a receiver, nor shall any provision herein, diminish, alter, impair or affect any rights or powers of the receiver in law or equity or as set forth elsewhere in this Security Instrument. In addition, this assignment of rents shall be fully operative without regard to value of the Property or without regard to the adequacy of the Property to serve as security for the obligations owed by Grantor to Beneficiary.

10. PAYMENT OF OTHER OBLIGATIONS. Grantor shall pay as it becomes due all principal and interest on all notes, obligations, contracts or agreements, secured by any deed of trust, lien or security interest having priority over this Security Instrument as to the Property. If Grantor fails to make any such payments when due, Beneficiary may pay the same and add any amounts so paid to the principal of the Note. Any and all sums so paid shall bear interest at the rate from time to time in effect under the Note from the date of such advance and shall be secured by this Security Instrument.

11. SECURITY AGREEMENT; FIXTURE FILING. All fixtures, appliances and equipment which comprise a part of the Property shall, as far as permitted by law, be deemed to be affixed to the Real Property and conveyed therewith. This Security Instrument shall be an authenticated security agreement which creates a security interest in all furniture, fixtures, appliances, machinery, equipment and all personal property and any replacements and proceeds and substitutions thereof, owned by Grantor and now located thereon, attached to, or hereafter acquired or located thereon or attached thereto, and all lighting, heating, cooking, ventilating, air conditioning, incinerating, sprinkling and plumbing systems, and all cooking appliances, cabinets, windows, doors and all wall to wall carpeting located thereon; all judgments, awards of damages and settlements hereafter made resulting from condemnation proceedings or the taking of the Property or any part thereof under the power of eminent domain, or for any damage (whether caused by such taking or otherwise) to the Property or the Improvements thereon or any part thereof, or to any rights appurtenant thereto, including any award for change of grade or streets; and all inventory, contract rights, cash, proceeds, profits, income, rent, accounts receivable, lease agreements, lease payments, insurance proceeds, deposit and other accounts, logos, trademarks, and all trade name agreements, and all replacements and proceeds relating thereto now owned or hereafter acquired by Grantor, in connection with the Property (the "Collateral"). This Security Instrument is intended to be a financing statement and shall be recorded as a "fixture filing" in accordance with the Uniform Commercial Code of the State of Washington, as the same may be amended from time to time (the "UCC"). In that regard Grantor grants a security interest in such Collateral and Beneficiary shall have all rights and remedies of a secured party

under the UCC, as the same may be amended from time to time, or other applicable statutes. Without limiting those rights and remedies, Beneficiary may, at its option, either (a) enforce its security interest in such Collateral under the UCC or other applicable law or (b) include such Collateral in any judicial or non-judicial foreclosure of this Security Instrument. For purposes of this section, the mailing addresses of Grantor (debtor) and Beneficiary (secured party) from which information concerning the security interest granted by the Security Instrument may be obtained (each as required by the UCC) are as stated on the first page of this Security Instrument. Grantor hereby authorizes Beneficiary to file, at Grantor's expense, any UCC financing statements describing any and all assets and personal property in which Beneficiary has been granted a security interest. Upon request by Beneficiary, Grantor shall take whatever action is requested by Beneficiary to perfect and continue the security interest in such Collateral. Grantor hereby irrevocably (as long as the Indebtedness secured hereby remains unpaid) makes, constitutes and appoints Beneficiary as the true and lawful attorney-in-fact of Grantor to sign the name of Grantor on any similar document or amendment thereto deemed necessary to perfect or continue such security interests, which shall constitute a power coupled with an interest by virtue of this Security Instrument. However, this Security Instrument shall be a financing statement filed as a fixture filing and sufficient to perfect and maintain any security interest created hereby in the Collateral and the Property and its proceeds. Upon the occurrence of an Event of Default, Grantor shall not remove, sever, or detach any of the aforementioned Collateral from the Property. Upon the occurrence of an Event of Default, Beneficiary, in addition to any and all remedies it may have or exercise under this Security Instrument, the Note, any Loan Document, or under applicable law, may immediately and without demand exercise any and all of the rights of a secured party upon default under the UCC, all of which shall be cumulative.

Notwithstanding any other provision in this Security Instrument, should flood insurance be required for the Real Property pursuant to any existing or future federal statute, regulation, policy or guideline related to flood insurance (collectively, the "Flood Laws"), and the personal property located thereon (i) would be required to be insured under the Floods Laws by virtue of the security interest granted under this Security Instrument, and (ii) such Personal Property is not covered by flood insurance to the extent required by the Flood Laws, then Beneficiary disclaims any security interest created hereunder in such personal property. The foregoing shall not relieve Grantor of its obligation to obtain flood insurance for such personal property should Beneficiary so require.

12. CONDEMNATION AWARD. Grantor shall immediately notify Beneficiary in writing should all or any part of the Property become subject to any condemnation or expropriation proceedings or other similar proceedings, including without limitation, any condemnation, confiscation, eminent domain, inverse condemnation or temporary requisition or taking. Grantor further agrees to take promptly such steps as Beneficiary in its sole judgment deems necessary and proper and at Grantor's expense, to defend any such condemnation or expropriation proceedings and obtain the proceeds derived from such proceedings and remit to Beneficiary as provided herein. Grantor shall not agree to any settlement or compromise of any condemnation or expropriation claim without Beneficiary's prior written consent. Beneficiary may, at Beneficiary's sole option, elect to participate in any such condemnation or expropriation proceedings and be represented by counsel of Beneficiary's choice. Grantor agrees to provide Beneficiary with such documentation as Beneficiary may request to permit Beneficiary to so participate and to reimburse Beneficiary for Beneficiary's costs associated with Beneficiary's participation, including Beneficiary's reasonable attorneys' fees. If Grantor fails to defend any such condemnation or expropriation proceedings to Beneficiary's satisfaction, Beneficiary may undertake the defense of such a proceeding for and on behalf of Grantor. To this end, Grantor irrevocably appoints Beneficiary as Grantor's agent and attorney-in-fact, such power shall be a power being coupled with an interest, to bring, defend, adjudicate, settle, or otherwise compromise such condemnation or expropriation claims. Unless an Event of Default then exists, Beneficiary shall not agree to any final settlement or compromise of any such condemnation or expropriation claim without Grantor's prior approval, which approval shall not be unreasonably withheld.

Beneficiary shall have the right to receive all proceeds derived or to be derived from the condemnation, expropriation, confiscation, eminent domain, inverse condemnation, or any permanent or temporary requisition or taking of the Property, or any part thereof ("Condemnation Proceeds"). In the event that Grantor should receive any such Condemnation Proceeds, Grantor agrees to immediately turn over and to pay such proceeds to Beneficiary. All Condemnation Proceeds, which are received by and payable to either Grantor or Beneficiary shall be applied, at Beneficiary's sole option and discretion, and in such manner as Beneficiary may determine (after payment of all reasonable costs, expenses and attorneys' fees necessarily paid or incurred by Grantor and/or Beneficiary), for the purpose of: (a) replacing or restoring the condemned, expropriated, confiscated, or taken Property; or (b) reducing the outstanding balance of the Indebtedness. Beneficiary's receipt of such Condemnation Proceeds and the application of such proceeds as provided in this Security Instrument shall not affect the lien of this Security Instrument.

13. ENVIRONMENTAL WARRANTIES, INDEMNITIES AND AGREEMENTS. Grantor represents, warrants and agrees that: (a) neither Grantor nor any other person has generated, manufactured, stored, treated, processed, released, discharged or disposed of any Hazardous Substances (hereinafter defined) on, in, around and under the Property or received any notice from any Governmental Authority (hereinafter defined) or other person regarding a release of Hazardous Substances on, from or otherwise affecting the Property; (b) neither Grantor nor any other person has violated any applicable Environmental Laws (hereinafter defined) relating to or affecting the Property; (c) the Property is presently being operated in compliance with all applicable Environmental Laws; (d) there are no circumstances presently existing upon or under the Property, or relating to the Property which may violate any applicable Environmental Laws; (e) there is not now pending or threatened any action, suit, investigation or proceeding against Grantor or any other party relating to the Property seeking to enforce any right or remedy under any of the Environmental Laws; (f) except in strict compliance with Environmental Laws, the Property shall be kept free of Hazardous Substances and shall not be used to generate, manufacture, transport, treat, store, handle, dispose, process or release any Hazardous Substances; (g) Grantor shall at all times comply with and ensure compliance by all other parties with all applicable Environmental Laws and shall keep the Property free and clear of any liens imposed pursuant to any applicable Environmental Laws; (h) Grantor has obtained and shall at all times continue to obtain and/or maintain all licenses, permits and other directives from any Governmental Authority necessary to comply with Environmental Laws; (i) Grantor is in full compliance with the terms and provisions of the Environmental Requirements (hereinafter defined) and shall continue to comply with the terms and provisions of the Environmental Requirements; and (j) Grantor shall immediately give Beneficiary oral and written notice in the event that Grantor receives any notice from any Governmental Authority or any other party with regard to any release, generation, manufacture, storage, treatment, processing, release, discharge or disposal of Hazardous Substances on, from or affecting the Property and Grantor shall conduct and complete, at Grantor's expense, all investigations, sampling, and testing, and all remedial, removal, and other actions necessary or required to clean up and remove all Hazardous Substances on, from or affecting the Property in accordance with all applicable Environmental Laws.

In the event that any of Grantor's representations or warranties shall prove to be materially false or Grantor fails to satisfy any Environmental Requirement, Beneficiary, in its sole discretion, may (i) choose to assume compliance with governmental directives and Grantor agrees to reimburse Beneficiary for all costs, expenses (including all reasonable attorneys' fees), fines, penalties, judgments, suits, or liabilities whatsoever associated with such compliance; or (ii) seek all legal and equitable remedies available to Beneficiary including, but not limited to, injunctive relief compelling Grantor to comply with all Environmental Requirements relating to the Property. Beneficiary's rights in this section shall be in addition to all rights granted under the Note or Loan Documents and payments by Grantor under this provision shall not reduce Grantor's obligations and liabilities thereunder. In the event Beneficiary undertakes compliance with any Environmental Requirements which Grantor failed to perform or which Beneficiary determines are necessary to sell all or any part of the Property, Grantor authorizes Beneficiary

and/or Beneficiary's agents to prepare and execute on Grantor's behalf, any manifest or other documentation relating to the removal and/or disposal of any Hazardous Substances, from, at, or on the Property. Grantor acknowledges that Beneficiary does not own, or have a security interest in, any Hazardous Substances which exist on, originate from or affect the Property. All amounts expended by Beneficiary in connection with the exercise of its rights under this section (including reasonable attorneys' fees and the fees of any environmental consultants) shall become part of the Indebtedness secured by this Security Instrument.

For purposes of this Security Instrument: "Environmental Laws" means (a) the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C. §9601 *et seq.*; (b) the Resource Conservation and Recovery Act, as amended by the Hazardous and Solid Waste Amendments of 1984, 42 U.S.C. §6901 *et seq.*; (c) the Clean Air Act, 42 U.S.C. §7401 *et seq.*; (d) the Clean Water Act of 1977, 33 U.S.C. §1251 *et seq.*; (e) the Toxic Substances Control Act, 15 U.S.C. §2601 *et seq.*; (f) the Safe Drinking Water Act, 42 U.S.C. §300f *et seq.*; (g) the Refuse Act, 33 U.S.C. §407; (h) the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499; (i) the Hazardous Materials Transportation Act, 49 U.S.C. §5101 *et seq.*; (j) the regulations promulgated pursuant to any of the aforesaid laws; (k) RCW Chapter 70A.300 (Hazardous Waste Management, RCW Chapter 70A.305 (Hazardous Waste Cleanup-Model Toxics Control Act), and RCW Chapter 43.21C (State Environmental Policy Act); and (l) all other federal, state or local laws, ordinances, orders, rules or regulations, now or hereafter existing, that directly and/or indirectly relate to the protection of human health, the environment, air pollution, water pollution, noise control and/or the presence, storage, escape, seepage, leakage, emission, release, use, spillage, generation, transportation, handling, discharge, disposal or recovery of on-site or off-site hazardous or toxic substances, wastes or materials and/or underground storage tanks. "Environmental Requirement" means any Environmental Law, together with any administrative orders, directives, judgments, consent orders, permits, licenses, authorizations, consents, settlements, agreements or other formal or informal directions or guidance issued by or entered into with any Governmental Authority or private party, which obligate or commit Grantor to investigate, remediate, treat, monitor, dispose of or remove Hazardous Substances. "Governmental Authority" means any federal, state or local agency, department, court or other administrative, legislative or regulatory governmental body, or any private individual or entity acting in place of such entities. "Hazardous Substances" means one or more of the following substances: (a) those substances included within the definitions of "hazardous substances," "hazardous materials," "toxic substances" or "solid waste" in any one or more of the Environmental Laws; (b) those substances listed in the United States Department of Transportation's Hazardous Materials Table (49 CFR 172.101 and amendments thereto) or by the Environmental Protection Agency (or any successor agency) as hazardous substances (40 CFR Part 302 and amendments thereto); (c) such other substances, materials and wastes which are or become regulated under applicable local, state or federal law, or the United States government, or which are classified as hazardous or toxic under federal, state or local laws, orders, ordinances, rules or regulations; and (d) any material, waste or substances which are or contain asbestos, polychlorinated biphenyls, explosives, radioactive materials, gasoline, petroleum, petroleum products, lead paint, or related or similar materials or substances.

Grantor hereby agrees to indemnify Beneficiary and hold Beneficiary harmless from and against any and all losses, liabilities, damages, injuries (including, without limitation, reasonable attorneys' fees) and claims of any and every kind whatsoever paid, incurred or suffered by, or asserted against Beneficiary for, with respect to, or as a direct or indirect result of: (i) the presence on, or under the Property, or from the escape, spillage, emission or release on or removal from the Property of any Hazardous Substance regardless of whether or not caused by or within the control of Grantor, (ii) the violation of any Environmental Laws or Environmental Requirements relating to or affecting the Property, whether or not caused by or within the control of Grantor, (iii) the failure by Grantor to comply fully with the terms and provisions of this section, or (iv) any warranty or representation made by Grantor in this section being false or untrue in any material

respect. The obligations and liabilities of Grantor under this section shall survive the foreclosure of this Security Instrument, the delivery of a deed in lieu of foreclosure, Beneficiary's acquisition of any interest in the Property, the cancellation or payment of any Indebtedness; or the sale or alienation of all or any part of the Property.

14. RELEASES. Beneficiary may grant releases at any time and from time to time of all or any portion of the Property (whether or not such releases are required by agreement among the parties) agreeable to Beneficiary without notice to or the consent, approval or agreement of other parties and interests, including, without limitation, junior lienors and purchasers subject to the lien of this Security Instrument or any of the Loan Documents, and such releases shall not impair in any manner the validity of or priority of this Security Instrument on that portion of the Property remaining subject to this Security Instrument, nor release Grantor from any personal liability for the Indebtedness. In addition, Trustee and Beneficiary may, without notice to or the consent of Grantor, release any obligor of the Indebtedness or any other Collateral securing the Indebtedness and such release shall not impair in any manner the validity of or priority of this Security Instrument, nor release Grantor from personal liability for the Indebtedness.

15. INDEMNIFICATION IN EVENT OF ADVERSE CLAIMS. In the event that Beneficiary or Trustee becomes a party, whether voluntarily or otherwise, to any action, suit or legal proceeding arising out of or related to: (a) the taking of the Property as security for the Indebtedness, (b) the ownership, use, operation or maintenance of the Property or (c) any other matter involving the Property, Grantor shall indemnify and hold harmless Beneficiary and Trustee and reimburse Beneficiary and Trustee for any amounts paid, including all costs, charges and attorneys' fees incurred in connection with any such action, suit or proceeding, and the same shall be secured by this Security Instrument and payable upon demand.

16. EVENTS OF DEFAULT. Grantor shall be in default under this Security Instrument upon the occurrence of any of the following ("Event of Default"):

(a) Any Event of Default, as defined in the Loan Agreement, occurs under the Loan Agreement.

(b) Failure by Grantor to perform any covenant, condition, warranty or obligation in this Security Instrument and the default is not cured within thirty (30) days after Beneficiary's providing written notice thereof or such longer time as may be reasonable to cure same if Grantor is diligently pursuing such cure.

17. RIGHTS AND REMEDIES.

(a) Acceleration. Upon the occurrence of any Event of Default, Beneficiary may, at Beneficiary's option, declare all of the sums secured by this Security Instrument to be immediately due and payable in full, including any prepayment penalty that would become due, without further demand. Upon the occurrence of an Event of Default under Sections 9.7 or 9.8 of the Loan Agreement, the entire outstanding principal balance, together with all interest thereon and any other amounts due under the Indebtedness, shall automatically become due and payable without presentment, demand, protest, or notice of any kind except notice required by law.

(b) Beneficiary's Right to Enter and Take Possession. Operate and Apply Revenues. If an Event of Default shall have occurred, Grantor, upon demand of Beneficiary, shall forthwith surrender to Beneficiary the actual possession of the Property, and if, and to the extent, permitted by law, Beneficiary itself, or by such officers or agents as it may appoint, may enter and take possession of all the Property without the appointment of a receiver, or an application therefor, and may exclude Grantor and its agents and employees wholly therefrom, and may have joint access with Grantor to the books, records and accounts

of Grantor. Upon every such entering upon or taking possession, Beneficiary may (but in no event shall have any obligation to) hold, store, use, operate, manage and control the Property and conduct the business thereof or complete the improvement thereof with any costs relating to any of the foregoing secured hereby, and, from time to time, make all necessary and proper maintenance, repairs, renewals, replacements, additions, betterments and improvements thereto and thereon and purchase or otherwise acquire additional fixtures, personalty and other property; insure or keep the Property insured; manage and operate the Property and exercise all the rights and powers of Grantor to the same extent as Grantor could in its own name or otherwise with respect to the same; enter into any and all agreements with respect to the exercise by others of any of the powers herein granted to Beneficiary, all as Beneficiary from time to time may determine to be in its best interest; and perform all acts required of Grantor as lessor under any lease of all or any part of the Property, all as Beneficiary may from time to time determine in its sole discretion to be in Beneficiary's best advantage. Beneficiary may collect and receive all rents, issues, profits and revenues from the Property, including those past due as well as those accruing thereafter, and, after deducting all expenses of taking, holding, managing and operating the Property (including compensation for the services of all persons employed for such purposes) apply such amounts to the cost of all maintenance, repairs, renewals, replacements, additions betterments, improvements, purchases and acquisitions; the cost of such insurance; taxes, assessments and other similar charges as Beneficiary may at its option pay; other proper charges upon the Property or any part thereof; and the reasonable compensation, expenses and disbursements of the attorneys and agents of Beneficiary. Beneficiary shall apply the remainder of the monies and proceeds so received by Beneficiary, to the payment of accrued interest, fees due and owing, and to the payment of any outstanding principal of the Indebtedness in whatever order Beneficiary may elect.

(c) Foreclosure. Grantor acknowledges that the power of sale herein granted may be exercised by Trustee without prior judicial hearing. The Grantor has the right to bring an action to assert the non-existence of a breach or any other defense of Grantor to acceleration and sale to the fullest extent permitted by applicable law.

(i) Upon the occurrence and during the continuance of any Event of Default, all sums secured hereby shall become immediately due and payable, without notice or demand, at the option of Beneficiary and Beneficiary may (i) foreclosure this Security Instrument judicially, in the same manner as a mortgage; (ii) cause the Trustee to exercise its power of sale in accordance with the procedures set forth herein and in the Security Instrument Act of the State of Washington RCW 61.24, as now existing or hereafter amended, or (iii) sue on the Note or the other Loan Documents according to law. To the extent permitted by applicable laws, including, without limitation RCW 61.24.100, Beneficiary shall have the right to seek and obtain a deficiency judgment following the completion of a judicial foreclosure or a Trustee's sale of all or part of the Property. If the Trustee invokes the power of sale after notice from Beneficiary of the Beneficiary's election to cause the Property to be sold, the Trustee shall give, and, as required, record, all notices as the laws of the State of Washington may require to the Grantor and guarantor (if any) and to such other persons as the laws of the State of Washington prescribe, and after the lapse of such time as may be required by applicable law, the Trustee shall sell the Property according to the laws of the State of Washington. The Trustee may sell the Property at the time and place and under the terms designated in the notice of sale, as provided by statute, in one or more parcels and in such order as the Trustee may determine and as permitted by applicable law, at public auction to the highest and best bidder for cash in lawful money of the United States, payable at the time of the sale. The Trustee may postpone sale of all or any parcel of the Property, and from time to time thereafter may postpone the sale, as provide by statute. The Beneficiary or the Beneficiary's designee may purchase the Property at any sale.

(ii) The Trustee shall deliver to the purchaser a Trustee's deed conveying the Property so sold without any covenant or warranty, expressed or implied. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements made therein. The Trustee shall apply the proceeds of the sale in the following order: (i) to all costs and expenses of the sale, including, but not limited to, the Trustee's and attorney's fees and costs of title evidence; (ii) to all sums secured by this Security Instrument in such order as the Beneficiary, in the Beneficiary's sole discretion, directs; and (iii) the excess, if any, to the clerk of the superior court of the county in which the sale took place, as provide by statute.

(d) Pursue Remedies. If an Event of Default shall have occurred and be continuing, Beneficiary may, in addition to the other rights and remedies provided in this Security Instrument, either with or without entry or taking possession as provided herein or otherwise, proceed by a suit or suits in law or in equity or by any other appropriate proceeding or remedy (i) to enforce payment of the Indebtedness or the performance of any term, covenant, condition or agreement of this Security Instrument or any other Loan Document, or any other rights and (ii) to pursue any other remedies available to it, all as Beneficiary shall determine most effectual for such purposes, including, but not limited to, the exercise of all rights and remedies available to Beneficiary as a secured party under the UCC and to exercise all rights and remedies provided to Beneficiary under this Security Instrument and any assignment of leases and rents conveyed to Beneficiary in connection with this Security Instrument. Should Beneficiary have proceeded to enforce any right, power or remedy under this Security Instrument by foreclosure, entry or otherwise, and such proceeding shall have been discontinued or abandoned for any reason, or shall have been determined adversely to Beneficiary, then and in every such case, Grantor and Beneficiary shall be restored to their former positions and rights hereunder, and all rights, powers and remedies of Beneficiary shall continue as if no such proceeding had taken place. Beneficiary shall have the power to: (i) institute and maintain any suits and proceedings as Beneficiary may deem expedient to prevent any impairment of the Property by acts which may be unlawful or in violation of the Security Instrument; (ii) preserve, insure or protect its interest in the Property and in the rents, issues, profits and revenues arising therefrom; and (iii) restrain the enforcement of or compliance with any legislation or other governmental enactment, rule or order that may be unconstitutional or otherwise invalid, if the enforcement of or compliance with such enactment, rule or order would impair the Property or be prejudicial to the interests of Beneficiary. Grantor expressly waives, to the maximum extent permitted by law, any law that may operate to rescind the acceleration of the indebtedness secured hereby and reinstate such Indebtedness in accordance with its terms following the withdrawal of any foreclosure proceedings by Beneficiary, and Grantor acknowledges and agrees that such rescission and reinstatement shall occur only upon written agreement of Beneficiary. In the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition or other proceedings affecting Grantor or the creditors or property of Grantor, Beneficiary, to the extent permitted by law, shall be entitled to file such proofs of claim and other documents as may be necessary or advisable in order to have the claims of Beneficiary allowed in such proceedings for the entire amount of the Indebtedness at the date of the institution of such proceedings and for any additional portion of the Indebtedness accruing after such date.

(e) Appointment of Receiver. If an Event of Default shall have occurred and be continuing, Beneficiary, upon application to a court of competent jurisdiction, shall be entitled as a matter of right without notice and without regard to the occupancy or value of any security for the Indebtedness or the solvency of any party bound for its payment, to the appointment of a receiver to take possession of and operate the Property and collect and apply the revenues, and Grantor hereby consents thereto. The receiver shall have all of the rights and powers permitted under the laws of the State of Washington. Grantor shall pay to Beneficiary upon demand, all expenses, including, without limitation, receivers' fees, reasonable attorneys' fees, costs and agent's compensation, all incurred pursuant to such appointment, all of which shall be considered a part of the Indebtedness secured hereby. In the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition or other proceedings affecting Grantor

or the creditors or property of Grantor, Beneficiary, to the extent permitted by applicable law, shall be entitled to file such proofs of claim and other documents as may be necessary or advisable in order to have the claims of Beneficiary allowed in such proceedings for the entire amount of the Indebtedness at the date of the institution of such proceedings and for any additional portion of the Indebtedness accruing after such date.

(f) Personal Property. Beneficiary shall give Grantor reasonable notice of the time and place of any public sale of the personal property or of the time after which any private sale or other intended disposition of the personal property is to be made. Unless otherwise required by applicable law, reasonable notice shall mean notice given at least ten (10) days before the time of the sale or disposition. Any sale of the personal property may be made in conjunction with any sale of the Property.

(g) Election of Remedies. Election of Beneficiary to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Grantor under this Security Instrument, after Grantor's failure to perform, shall not affect Beneficiary's right to declare a default and exercise its remedies. Nothing under this Security Instrument or otherwise shall be construed so as to limit or restrict the rights and remedies available to Beneficiary following an Event of Default, or in any way to limit or restrict the rights and ability of Beneficiary to proceed directly against Grantor and/or against any other co-maker, guarantor, or surety and/or to proceed against any other collateral directly or indirectly securing the Indebtedness.

(h) Remedies Cumulative. Each right, power and remedy conferred upon or reserved to Beneficiary are distinct and exclusive of any other right, power, or remedy and shall be cumulative and in addition to any other right or remedy under this Security Instrument, the Loan Documents or afforded by law or equity, and may be exercised concurrently, independently or successively. The liability of Grantor hereunder shall, if more than one, be joint and several.

18. MULTIPLE TRUSTEES; SUBSTITUTION OF TRUSTEE. If more than one trustee is named as Trustee herein or subsequently appointed pursuant to the terms hereof, then any trustee, acting alone without the joinder of any other Trustee, may exercise all powers granted to Trustees under this instrument, without the need for joinder of or action by any other Trustee. Trustee shall be under no duty to make an action hereunder except as expressly required herein or by law, Trustee shall have the right to select, employ and consult with counsel, and shall not be liable to Grantor or Beneficiary for actions taken in reliance on advice of counsel. Trustee may rely on any instrument, document or signature authorizing or supporting any action taken or proposed to be taken by him hereunder, believed by him in good faith to be genuine. Grantor shall pay all reasonable costs, fees and expenses incurred by Trustee and Trustee's agents and counsel in connection with the performance by Trustee of its obligations hereunder, and all such costs, fees and expenses shall be secured by this Security Instrument. Grantor's obligations under this section shall not be reduced or impaired by principles of comparative or contributory negligence. All moneys received by Trustee shall, until used or applied as herein provided, be held in trust for the purposes for which they were received but need not be segregated in any manner from other moneys (except to the extent required by law). Trustee shall have no duty to pay interest on any moneys received by him hereunder. Trustee may resign at any time and for any reason by giving thirty days prior notice to Beneficiary. If Trustee or any successor Trustee shall die, resign or become disqualified from acting in the execution of this trust, or Beneficiary shall desire for any reason to appoint a substitute trustee, Beneficiary shall have full power to appoint one or more substitute Trustees and, if preferred, several substitute Trustees in succession who shall succeed to all the estates, rights, powers and duties of Trustee. The instrument appointing such substitute Trustee(s) may be executed by any officer, authorized agent or attorney in fact of Beneficiary, and as so executed, such instrument shall be conclusively presumed to be executed with authority, valid and sufficient, without further proof of any action and without the necessity of recording. Upon any such appointment, all of the powers, rights and authority of the Trustee shall immediately become vested in such

successor. In no event or circumstance shall Trustee or any substitute Trustee hereunder be personally liable as a result of any action by Trustee (or any substitute Trustee) in the exercise of the powers hereby granted or otherwise, except that Trustee shall be personally liable for its gross negligence or willful misconduct.

19. ATTORNEYS' FEES; EXPENSES. Grantor shall upon demand pay attorneys' fees and all expenses incurred by Beneficiary in connection with the collection of the Indebtedness; the enforcement of the provisions of this Security Instrument or the Loan Documents; or any suit or legal proceeding (including any proceeding conducted before any United States Bankruptcy Court) concerning the Property, the lien of this Security Instrument, the Indebtedness or compliance by Grantor with any of the provisions of this Security Instrument or the Loan Documents. Grantor shall be liable for such attorneys' fees and expenses whether or not any suit or proceeding is commenced. Such fees and expenses shall become a part of the Indebtedness and shall bear interest at the rate from time to time in effect under the Note from the date of expenditure until repaid. Expenses covered by this section, subject to any limits under applicable law, shall include, without limitation, legal expenses, court cost, cost of appeals, post-judgment collection services and the cost of searching records, title reports (including foreclosure reports), surveyors' reports, environmental reports, appraisal fees, title insurance and fees of Trustee.

20. ANTI-MARSHALLING PROVISIONS. Notwithstanding the existence of any other liens and security interests in the Property securing the Indebtedness or held by Beneficiary or by any other party, Beneficiary shall have the right to determine the order in which any or all of the Property, including the Collateral, shall be subjected to the remedies available to Beneficiary, and Beneficiary shall further have the right to determine the order in which any or all portions of the Indebtedness are satisfied from the proceeds realized upon the exercise of any remedy it has. Grantor hereby irrevocably waives any and all rights to require the marshalling of assets in connection with the exercise of any of Beneficiary's remedies permitted by applicable law or provided herein or to require that Beneficiary resort to any particular Property or any part thereof.

21. DEFICIENCY. Upon the occurrence of an Event of Default hereunder, along with other remedies set out herein and in the Loan Documents, Beneficiary may foreclose upon the Property and seek a deficiency judgment.

22. TENANCY AT SUFFERANCE. If Grantor remains in possession of the Property after the Property is sold as provided above or Beneficiary otherwise becomes entitled to possession of the Property, Grantor shall become a tenant at sufferance of Beneficiary or the purchaser of the Property and shall, at Beneficiary's option, either pay a reasonable rental for the use of the Property, or vacate the Property immediately upon the demand of Beneficiary.

23. DUE ON SALE OR TRANSFER. Beneficiary may, at Beneficiary's option, declare immediately due and payable all sums secured by this Security Instrument upon the sale, transfer, or pledge of all or any part of the Property or upon granting a security interest in, or otherwise pledging, hypothecating or otherwise encumbering all or any part of the Property without Beneficiary's prior written consent. A "sale or transfer" means the conveyance of Property or any right, title or interest in the Property or any party thereof, whether legal, beneficial or equitable, whether voluntary or involuntary, whether by outright sale, deed, installment sale contract, land contract, contract for deed, leasehold interest with a term greater than three (3) years, lease-option contract, or by sale, assignment, granting of a lien, or transfer of any beneficial interest in or to any land trust or other trust or entity holding title to the Property, or by any other method of conveyance of an interest in the Property. If any Grantor is a not a natural person, transfer also includes any restructure, merger, acquisition or a change in ownership, whether individually or cumulatively, of more than twenty-five percent (25%) of the voting stock, partnership interests or limited liability company interests, as the case may be, of such Grantor ("Change in Control"). However, this option shall not be exercised by Beneficiary if such exercise is prohibited by federal law or by other applicable law. Grantor

has not agreed with any third party to assign, pledge, hypothecate, transfer or grant a security interest in the Property.

24. GRANTOR'S CONTINUING OBLIGATION. This Security Instrument shall remain as security for full payment of the Indebtedness under this Security Instrument and for performance of any obligation evidenced by the Loan Documents, notwithstanding any of the following: (a) the sale or release of all or any part of the Property; (b) the assumption by another party of Grantor's obligations under this Security Instrument, the Note or the Loan Documents; (c) the incurrence of additional Indebtedness; (d) the forbearance or extension of time for payment of the Indebtedness or for performance of any obligations by Grantor under this Security Instrument or the Loan Documents, whether granted to Grantor or to a subsequent owner of the Property; (e) the release of any party that is primarily or secondarily obligated for the payment any Indebtedness secured by this Security Instrument or the performance of any other obligations under this Security Instrument or the Loan Documents; (f) the release or substitution of collateral as security for the Indebtedness; and (g) the exercise by Beneficiary of any rights or remedies related to the Property without having first resorted to any other property securing the Indebtedness or demanding payment from person or entity primarily or secondarily obligated to pay the Indebtedness. None of the foregoing shall, in any way, affect the full force and effect of the lien of this Security Instrument or impair Beneficiary's right to a deficiency judgment in the event of foreclosure against Grantor or any party who had assumed payment of the Indebtedness or who assumed any other obligations, the performance of which is secured by this Security Instrument.

25. RELEASE AND CANCELLATION. Upon (a) the full and final payment and performance of all obligations and liabilities of Grantor under this Security Instrument, (b) full and final payment of the Indebtedness secured hereby, and (c) the termination of any commitment or agreement by Beneficiary to make advances, incur obligations or give value to Grantor under the Note, any Loan Document, or any other document (including without limitation advances, obligations or value relating to future advances, open-end, revolving or other lines of credit or letters of credit), then a suitable satisfaction of this Security Instrument shall be executed and delivered to Grantor and this conveyance shall be null and void and may be cancelled of record at the request and cost of Grantor except as prohibited by applicable law.

26. FURTHER ASSURANCES. At any time, and from time to time, upon request of Beneficiary, Grantor shall make, execute and deliver, or shall cause to be made, executed or delivered, to Beneficiary or to Beneficiary's designee, and when requested by Beneficiary, cause to be filed, recorded, refiled, or rerecorded, as the case may be, at such times and in such offices and places as Beneficiary may deem appropriate, any and all such deeds of trust, security agreements, financing statements, continuation statements, instruments of further assurance, certificates, and other documents as may, in the sole opinion of Beneficiary, be necessary or desirable in order to effectuate, complete, perfect, continue, or preserve Grantor's obligations under this Security Instrument and any Loan Document, and the liens and security interests granted in this Security Instrument as first and prior lien on the Property. Upon any failure by Grantor to perform any of its obligations under this section, Beneficiary may make, execute, record, file, re-record and/or refile any and all such deeds to secure debt, security agreements, financing statements, fixture filings, continuation statements, instruments, certificates, and documents for and in the name of Grantor and Grantor hereby irrevocably appoints Beneficiary the agent and attorney-in-fact of Grantor so to do, which shall constitute a power coupled with an interest by virtue of this Security Instrument. The lien hereof shall automatically attach, without further act, to all after acquired property attached to and/or used in the operation of the Property or any part thereof. Grantor shall reimburse Beneficiary for all costs and expenses incurred in connection with the matters referred to in this section.

27. NOTICES. Except for any notice required under applicable law to be given in another manner, any notice required to be given under this Security Instrument, including without limitation any notice of an Event of Default and any notice of sale shall be given in writing, and shall be effective when actually

delivered (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, three (3) days after being deposited in the United States mail as first class or certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Security Instrument. All copies of notices of foreclosure from the holder of any lien which has priority over this Security Instrument shall be sent to Beneficiary's address, as shown near the beginning of this Security Instrument. Any party may change its address for notices under this Security Instrument by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Grantor agrees to keep Beneficiary informed at all times of Grantor's current address. Unless otherwise provided or required by law, if there is more than one Grantor, any notice given by Beneficiary to any Grantor is deemed to be notice given to all Grantors.

28. GOVERNING LAW. This Security Instrument shall be governed by the laws of the State of Washington without regard to its conflicts of law principles. When necessary to avoid any inconsistency or to ensure compliance with applicable Washington law, including without limitation the Security Instrument Act, any procedures provided for in this Security Instrument that are inconsistent with those required by Washington law shall be modified by and replaced with the procedures or requirements of the laws of the State of Washington.

29. CHOICE OF VENUE. Any legal action with respect to this Security Instrument may be brought in the courts of the State of Washington or in the appropriate United States District Court situated in the State of Washington, and Grantor hereby accepts and unconditionally submits to the jurisdiction of such courts. Grantor hereby waives any objection to the laying of venue based on the grounds of forum non conveniens with respect thereto.

30. NO WAIVER. Beneficiary and Trustee shall not be deemed to have waived any rights under the Note, this Security Instrument, or any of the Loan Documents unless such waiver is given in writing and signed by Beneficiary or Trustee as applicable. No delay or omission on the part of Beneficiary in exercising any right, power or remedy shall exhaust or impair any such right, power or remedy or shall be construed to be a waiver of any such Event of Default, or acquiescence therein; and every right, power and remedy given by this Security Instrument to Beneficiary or Trustee may be exercised from time to time and as often as may be deemed expedient by Beneficiary or Trustee as applicable. No consent or waiver, express or implied, by Beneficiary or Trustee to or of any breach, default or Event of Default by Grantor in the performance of the obligations thereof hereunder shall be deemed or construed to be a consent or waiver to or of any other breach, default or Event of Default in the performance of the same or any other obligations of Grantor hereunder. Failure on the part of Beneficiary or Trustee to complain of any act or failure to act or to declare an Event of Default, irrespective of how long such failure continues, shall not constitute a waiver by Beneficiary or Trustee as applicable of its rights hereunder or impair any rights, powers or remedies consequent on any breach, or Event of Default by Grantor. A waiver by Beneficiary or Trustee of a provision of this Security Instrument or any of the Loan Documents shall not prejudice or constitute a waiver of Beneficiary's or Trustee's right otherwise to demand strict compliance with that provision or any other provision of this Security Instrument or any of the Loan Documents. No prior waiver with regard to any transaction or matter by Beneficiary or Trustee, nor any course of dealing between Beneficiary or Trustee and Grantor, shall constitute a waiver of any of Beneficiary's or Trustee's rights or of any of Grantor's obligations as to any future matter or transaction. Whenever the consent of Beneficiary or Trustee is required under this Security Instrument or any of the Loan Documents, the granting of such consent by Beneficiary or Trustee in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Beneficiary or Trustee as applicable.

31. **NON-LIABILITY OF BENEFICIARY.** The relationship between Grantor and Beneficiary created by this Security Instrument is strictly a debtor and creditor relationship and not fiduciary in nature, nor is the relationship to be construed as creating any partnership or joint venture between Beneficiary and Grantor. Grantor is exercising Grantor's own judgment with respect to Grantor's business. All information supplied to Beneficiary is for Beneficiary's benefit only and no other party is entitled to rely on such information. There is no duty for Beneficiary to review, inspect, supervise or inform Grantor of any matter with respect to Grantor's business. Beneficiary and Grantor intend that Beneficiary may reasonably rely on all information supplied by Grantor to Beneficiary, together with all representations and warranties given by Grantor to Beneficiary, without investigation or confirmation by Beneficiary and that any investigation or failure to investigate shall not diminish Beneficiary's right to so rely. Beneficiary may act or refrain from acting pursuant to any right or option given to it under this Security Instrument and Grantor shall have no right or expectation of any action or inaction by Beneficiary.

32. **AMENDMENTS.** No alteration of or amendment to this Security Instrument shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

33. **SEVERABILITY.** If a court of competent jurisdiction finds any provision of this Security Instrument to be illegal, invalid, or unenforceable as to any circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Security Instrument. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Security Instrument shall not affect the legality, validity or enforceability of any other provision of this Security Instrument.

34. **ENTIRE AGREEMENT.** This Security Instrument, together with the Loan Documents, is the final expression of the agreement between the parties hereto and this Security Instrument may not be contradicted by evidence of any prior oral agreement between such parties. All previous oral agreements between the parties hereto have been incorporated into this Security Instrument and the Loan Documents, and there is no unwritten oral agreement between the parties hereto in existence.

35. **SOLE DISCRETION OF BENEFICIARY.** Whenever Beneficiary's consent or approval is required under this Security Instrument, the decision as to whether or not to consent or approve shall be in the sole and exclusive discretion of Beneficiary and Beneficiary's decision shall be final and conclusive.

36. **SUCCESSOR INTERESTS.** The terms of this Security Instrument shall be binding upon Grantor, and upon Grantor's heirs, personal representatives, successors and assigns, and shall be enforceable by Beneficiary and its successors and assigns.

37. **NO MERGER.** Grantor agrees that this Security Instrument and the lien granted hereby shall not merge in fee simple title to the Property, and if Beneficiary acquires any additional or other interest in or to the Property or the ownership thereof, then, unless a contrary intent is manifested by Beneficiary as evidenced by an express statement to that effect in an appropriate document duly recorded, this Security Instrument and the lien hereof shall not merge in the fee simple title and this Security Instrument may be foreclosed as if owned by a stranger to the fee simple title.

38. **WAIVER OF CONSEQUENTIAL AND PUNITIVE DAMAGES.** Grantor further waives any right Grantor may have to claim or recover, in any suit, action or proceeding, whether by claim or counterclaim, any exemplary, punitive, consequential, special or other similar damages against Beneficiary in connection with the loan with respect to this Security Instrument, the Note, or any other loan documents

or which in any way relates, directly or indirectly, to the Indebtedness hereby secured or any event, transaction, or occurrence arising out of or in any way connected with the Indebtedness hereby secured, or the dealings of the parties with respect thereto, including any claim in the nature of a failure by Beneficiary to perform its obligations, if any, under this Security Instrument, the Note, or the other Loan Documents. Grantor acknowledges and agrees that this section is a specific and material aspect of this Security Instrument and that Beneficiary would not extend credit to Grantor if the waivers set forth in this section were not a part of this Security Instrument.

39. TIME IS OF THE ESSENCE. Time is of the essence in all matters set forth in this Security Instrument.

40. MISCELLANEOUS. The captions and headings of the sections of this Security Instrument are for convenience only and shall not be used to interpret or define any provisions. Whenever used, the singular shall include the plural, and the plural the singular, and the use of any gender shall be applicable to all genders.

41. STATE SPECIFIC PROVISIONS.

(a) Principles of Construction. In the event of any inconsistencies between the terms and conditions of this Section 42 and the terms and conditions of this Security Instrument, the terms and conditions of this Section 42 shall control and be binding.

(b) Non Agricultural Use; Commercial Loan. The Grantor represents and warrants to the Beneficiary that none of the Property is presently, or will be during the term of the loan, used for agricultural or farming purposes. The loan secured by this Security Instrument is a “commercial loan” as that term is defined in RCW 61.24.005.

(c) Reconveyance. Upon payment of all sums secured by this Security Instrument, the Beneficiary shall request the Trustee to reconvey the Property and shall surrender this Security Instrument and all notes evidencing indebtedness secured by this Security Instrument to the Trustee. The Trustee shall reconvey the Property without warranty to the person or persons legally entitled thereto. Such person or persons shall pay the Trustee’s reasonable costs incurred in so reconveying the Property.

(d) Oral Agreement. PROMISES OR ORAL COMMITMENTS TO LOAN MONEY, EXTEND CREDIT, MODIFY OR AMEND ANY TERMS OF THE LOAN DOCUMENTS, OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT OR EXERCISE ANY REMEDY UNDER THE LOAN DOCUMENTS OR MAKE ANY OTHER FINANCIAL ACCOMMODATIONS ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.

(e) With respect to any contractual matters that Grantor establishes in any action within the scope of RCW Section 4.24.115, Grantor expressly (a) waives Grantor’s immunity under RCW tit. 51 and acknowledges that such waiver was mutually negotiated by the parties and (b) agrees to indemnify Beneficiary. The scope of this indemnity shall be limited with regard to damages for bodily injury to persons or damage to property resulting from the concurrent negligence of Grantor or Grantor’s agents or employees and of Beneficiary or Beneficiary’s agents or employees, as to which Grantor agrees to indemnify Beneficiary to the extent of the negligence of Grantor or Grantor’s agents or employees. Nothing in this section shall be deemed to require Grantor to indemnify Beneficiary against the sole or concurrent negligence of Beneficiary or Beneficiary’s agents or employees if such indemnity would be prohibited under RCW Section 4.24.115. The parties intend that under indemnity provisions in this section, unless otherwise expressly limited in this section, Grantor shall indemnify Beneficiary to the fullest extent not

prohibited by law, including, without limitation, in the event of the sole or concurrent negligence of Beneficiary or of any other person or entity.

(f) **WAIVER OF JURY TRIAL. GRANTOR KNOWINGLY, VOLUNTARILY, INTENTIONALLY, AND IRREVOCABLY WAIVES THE RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT ANY MATTERS OR CLAIMS ARISING OUT OF THIS SECURITY INSTRUMENT OR ANY LOAN DOCUMENT EXECUTED IN CONNECTION HEREWITH OR OUT OF THE CONDUCT OF THE RELATIONSHIP BETWEEN GRANTOR AND BENEFICIARY OR GRANTOR AND TRUSTEE, IN EACH CASE WHETHER SOUNDING IN CONTRACT OR TORT OR OTHERWISE. GRANTOR AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY, AND THAT BENEFICIARY OR TRUSTEE MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF GRANTOR TO THE WAIVER OF ITS RIGHT TO TRIAL BY JURY. GRANTOR ACKNOWLEDGES THAT GRANTOR HAS HAD THE OPPORTUNITY TO CONSULT WITH COUNSEL REGARDING THIS PROVISION, FULLY UNDERSTANDS ITS TERMS, CONTENT AND EFFECT, AND VOLUNTARILY AND KNOWINGLY AGREES TO THE TERMS OF THIS PROVISION. THIS PROVISION IS A MATERIAL INDUCEMENT FOR BENEFICIARY TO MAKE THE LOAN EVIDENCED BY THE NOTE OR OTHER FINANCIAL ACCOMMODATIONS SECURED BY THIS SECURITY INSTRUMENT. FURTHER, GRANTOR HEREBY CERTIFIES THAT NEITHER ANY REPRESENTATIVE OR AGENT OF BENEFICIARY OR TRUSTEE, NOR THEIR COUNSEL, HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT BENEFICIARY OR TRUSTEE WOULD NOT SEEK TO ENFORCE THIS WAIVER OF RIGHT TO JURY TRIAL PROVISION IN THE EVENT OF LITIGATION. FURTHER, NO REPRESENTATIVE OR AGENT OF BENEFICIARY OR TRUSTEE, NOR THEIR COUNSEL, HAS THE AUTHORITY TO WAIVE, CONDITION OR MODIFY THIS PROVISION.**

[Signature(s) on following page(s)]

In witness whereof, Grantor has executed this Security Instrument on the date of its acknowledgment below and effective as of the date first written above.

SKAGIT HABITAT FOR HUMANITY, a
Washington nonprofit corporation

By: *Allen Workman*
Name: Allen Workman
Title: President

STATE OF WA
COUNTY OF Skagit

This instrument was acknowledged before me on this 24 day of June, 2025, by Allen Workman, as President of SKAGIT HABITAT FOR HUMANITY, a Washington nonprofit corporation, on behalf of said nonprofit corporation.

(Personalized Seal)

Brianna Maldonado
Notary Public, State of WA
Brianna Maldonado
Printed or Typed Name of Notary
My Commission Expires: 08/30/2025 :

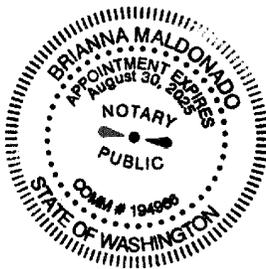


Exhibit A

Legal Description

The Land referred to herein below is situated in the County of Skagit, State of Washington and is described as follows:

PARCEL A:

That portion of the Southeast $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ of Section 24, Township 35 North, Range 1 East, W.M., described as follows:

Beginning at a point 393.6 feet West of the Southeast corner of said Southeast $\frac{1}{4}$ of the Southeast $\frac{1}{4}$, (or a point 98.4 feet West of the Southwest corner of a tract of land conveyed to one A.H. Moore);
thence West 49.2 feet;
thence North 296 feet;
thence East 49.2 feet;
thence South 296 feet to the place of beginning, EXCEPT the North 125 feet thereof, and ALSO EXCEPT that portion thereof conveyed to City of Anacortes, a municipal corporation by Deed dated August 4, 1964 and recorded November 8, 1965, under Auditor's File No. 674254.

Situate in the County of Skagit, State of Washington.

PARCEL B:

That portion of the Southeast $\frac{1}{4}$ of the Southeast $\frac{1}{4}$, Section 24, Township 35 North, Range 1 East, W.M., described as follows:

Beginning at a point which is 442.8 feet West of the Southeast corner of said Southeast $\frac{1}{4}$ of the Southeast $\frac{1}{4}$;
thence North $0^{\circ}15'10''$ West to the center line of 28th Street in the City of Anacortes, if produced;
thence Southerly to a point on the South line of said Section, which is 8 feet Westerly of the point of beginning;
thence East along the South line of said Section to the point of beginning;
EXCEPT that portion thereof conveyed to the City of Anacortes for street purposes, by deed recorded March 9, 1959, under Auditor's File No. 577490.

Situate in the County of Skagit, State of Washington.

PARCEL C:

That portion of the Southeast $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ of Section 24, Township 35 North, Range 1 East of the Willamette Meridian, described as follows:

Beginning at a point on the South line of said subdivision which is 492 feet West of the Southeast corner of said section;
thence East 49.2 feet;
thence North 296 feet;
thence West 49.2 feet;
thence South 146.63 feet;
thence West 11.59 feet;

thence South 146.58 feet;
thence East 11.59 feet to the point of beginning;

EXCEPT that portion thereof conveyed to the City of Anacortes for street purposes by deed recorded March 9, 1959, under Auditor's File No. 577489 and No. 577490, records of Skagit County, Washington;

ALSO EXCEPT that portion thereof lying within the boundaries of the following described tract:

Beginning at a point which is 442.8 feet West of the Southeast corner of said section;
thence North $0^{\circ}15'16''$ West to the center line of 28th Street in Anacortes, Washington, if produced;
thence Southerly to a point on the South line of said subdivision 8 feet Westerly of the point of beginning;
thence Easterly along said South line to the point of beginning;

Situate in the County of Skagit, State of Washington.