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Record and return to:
David R. Riley
Weinstein & Riley, P.S.
2001 Western Av., Suite 400
Seattle, WA 98121

Document Title: Short Form Deed of Trust, Security Agreement, Fixture Filing and
Assignment of Leases and Rents

GUARDIAN NORTHWEST TITLE CO.

Reference Nos. of Documents Assigned or Released:

108786

Name(s) of Grantor(s): Grandview North LLC, a Washington Limited Liability
Company

Names of Grantee(s): First American Title Insurance Company

Name of Beneficiary: J&J Dakota LLC, a Nevada Limited Liability Company

Abbreviated Legal Description: Ptn. Of Tract 4, "Sedro Acreage" (aka Parcel A
of Survey 200704170179)

Complete legal description is on Exhibit [A]

Assessor's Tax Parcel Number(s): 4170-000-004-0101(P76922)

SHORT FORM DEED OF TRUST, SECURITY AGREEMENT, FIXTURE FILING
AND ASSIGNMENT OF LEASES AND RENTS

Deed of Trust, Security Agreement, Fixture Filing and Assignment of Leases and Rents (the "DEED OF TRUST"), made as of the 11 day of February, 2015, between Grandview North LLC, a Washington Limited Liability Company (the "GRANTOR"), J&J Dakota, LLC, a Nevada limited liability company (the "BENEFICIARY"), and First American Title Insurance Company, (the "TRUSTEE"). The Grantor, the Beneficiary and the Trustee are sometimes singularly referred to as a "PARTY" and collectively referred to as the "PARTIES".

Grantor hereby irrevocably grants, bargains and conveys to Trustee in trust, with power of sale, the land in Snohomish County, Washington more particularly described on **Exhibit "A"** of this Deed of Trust (the "LAND").

1. Additional Collateral:

1.1. The following property is also conveyed to the Trustee in trust, with power of sale:

a. all the tenements, hereditaments and appurtenances, now or hereafter belonging or pertaining to the Land, and the leases, rents, issues, profits, income and all other property and rights of every kind and nature whatsoever, as further set forth in the master form of deed of trust (the "MASTER DEED OF TRUST") recorded in [Book 233 at Pages 540-543 in Auditor's File No. 2043549], public records of Snohomish County, Washington;

b. All moneys (the "RESERVES") held by or deposited with the Beneficiary for taxes, assessments or insurance premiums;

c. All compensation, awards, damages, rights of action and proceeds (collectively referred to as the "PROCEEDS"), arising out of or relating to any condemnation or other taking of, or casualty or damage to all of any part of the Land and/or the buildings and improvements on the Land (collectively the "REAL ESTATE" or "PROPERTY");

d. All unearned premiums under all insurance policies (the "INSURANCE POLICIES") now or hereafter obtained by the Grantor with respect to the



Property, all proceeds of all Insurance Policies, all rights to collect such proceeds.

1.2. Grantor shall retain a mere license to collect rents, profits and other income from the Property until the occurrence of any default in the fulfillment of the obligations evidenced or secured by this Deed of Trust, and such license is automatically revoked upon the occurrence of any such default.

1.3. Grantor grants to Trustee for the benefit of Beneficiary, a first priority security interest in all parts of the Property which are governed by the Uniform Commercial Code as adopted in the jurisdiction in which the Property is located, including proceeds, products and accessions. This Deed of Trust constitutes a fixture filing and a security agreement within the meaning of the Uniform Commercial Code, as adopted in the jurisdiction in which the Property is located. The mailing address of the Grantor and the address of the Beneficiary from which information may be obtained are set forth in the first paragraph of this Rider. A copy of this Deed of Trust may be filed with the Secretary of State or other filing office with the same effect as a UCC-1 financing statement. Beneficiary may prepare and file any financing statement, continuation statement or amendment which Beneficiary determines is appropriate to better perfect or evidence the perfection of the security interest granted by this Trust Deed.

2. Note: This Deed of Trust is given in part to secure performance of each agreement of Grantor incorporated by reference or contained herein and the payment of all sums owing under the promissory note of this date, made by the Grantor, in the original principal amount of One Million Two Hundred Thousand and 00/100 cents (\$1,200,000.00), payable to the order of the Beneficiary and all extensions, renewals, and replacements of the foregoing note (collectively "NOTE"), and all advances and other moneys loaned, and all credit otherwise extended by the Beneficiary to Grantor. All of the obligations imposed by the Note and all other obligations imposed or secured by this Deed of Trust, and all modifications of the foregoing are sometimes collectively referred to as the "OBLIGATIONS".

3. Master Form of Deed of Trust Incorporated by Reference: By executing and delivering this Deed of Trust, the provisions of Sections 1 through 35 of the Master Form of Deed of Trust (except any inconsistent with the provisions of this Deed of Trust) are incorporated by reference and made a part of this Deed of Trust as if the Master Form of Deed of Trust was set forth at length in this Deed of Trust. Grantor acknowledges that Grantor received and read the

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Master Form of Deed of Trust before Grantor signed this Deed of Trust.

4. Compliance with Loan Documents: The Grantor shall pay, perform and observe all of the obligations of the Grantor under the Note, this Deed of Trust and any other document executed by Grantor in connection with the Note ("Loan Document") and shall not cause, permit or suffer the occurrence of any default under the Note, this Deed of Trust or any Loan Document.

5. Compliance with Obligations Imposed by Other Instruments:

The Grantor shall promptly pay, perform and observe all of its obligations, including without limitation intended, all obligations of the owner of the Property, under all declarations, easements, restrictions, covenants, conditions, limitations, Insurance Policies, leases and other instruments and obligations (collectively referred to as the "OTHER INSTRUMENTS"), affecting or imposed upon the Property or the Grantor.

6. Insurance:

6.01. The Grantor shall keep the Property insured for the benefit of the Beneficiary and shall obtain and maintain in full force and effect at all times, the following insurance coverage:

(a) Casualty insurance on a causes of loss special form ("SPECIAL FORM POLICY"), in an amount equal to 100% of the full replacement cost of all buildings and improvements and the contents therein owned by the Grantor, with a replacement cost endorsement, an endorsement to cover increases in construction costs arising from changes in Law and an agreed amount clause in the insurance policy. The agreed amount clause shall be renewed annually. From the date that construction of any building, material alteration, addition or other improvement is begun until the date construction is completed, Grantor shall maintain a builders' risk policy on a non-reporting form, which shall include coverage for all materials and supplies on the Property.

(b) If the Property is located in a flood plain or flood hazard area, as designated by a map prepared pursuant to the federal flood insurance program administered by the United States Department of Housing and Urban Development, flood insurance in an amount equal to the limits of the casualty insurance policy that the Grantor is required to obtain and maintain, or the



maximum amount available, whichever amount is lower.

(c) Earthquake and earth settlement coverage if the Real Estate is located in an area susceptible to these risks.

(d) Commercial general liability insurance with a combined single limit of not less than \$3,000,000.00 covering the Property, portions of which in excess of \$1,000,000.00 may be provided under a so called "umbrella" or "excess liability" policy. In addition, in the event that Tenant fails to obtain liability insurance policies on an "occurrence basis" Tenant shall obtain extension policies commonly referred to as "tail" policies at least 30 days prior to the expiration of any policy which will not be renewed. All extension policies (x) shall include coverage for all claims made after the date, of the policy not renewed, regardless of the date such claims are made; and (y) shall have limits equal to or greater than the policies which are not being renewed.

(e) If alcoholic beverages are served or sold in or from the Property, dram shop liability insurance coverage with limits of no less than \$3,000,000.00 per occurrence.

(f) Such other insurance coverages and such higher limits of coverage as the Beneficiary may reasonably require.

6.02. All Insurance Policies shall be in form and substance acceptable to the Beneficiary and issued by insurers which have a rating of at least "A" and a financial size of not less than class "VIII" (or their then current equivalents) in the most recent edition of "Best's Key Rating Guide" or a successor or substitute publication selected by the Beneficiary. Each casualty, builders risk and other property insurance policy shall name the Beneficiary as mortgagee as its interests may appear under a standard mortgagee clause with all losses payable to the Beneficiary without contribution. The commercial general liability and any excess liability policies shall name the Beneficiary as an additional insured. All policies shall be deposited with the Beneficiary. All Insurance Policies shall to the extent obtainable, contain a provision that they shall not be cancelled or materially modified until 30 days after written notice thereof to the Beneficiary. All the limits of coverage required by this Deed of Trust or by the Beneficiary pursuant to this Deed of Trust are exclusive of the costs of defense of any claim.

6.03. At least 30 days prior to the expiration date of the then current



Insurance Policies, renewal policies and endorsements shall be delivered to the Beneficiary, together with proof of the payment of the premiums for such policies.

7. Casualty: If the Property is damaged or destroyed by fire, flood, earthquake, or other hazard or any part of the Property or access to or from the Property is condemned or otherwise taken by any person (collectively referred to as a "CASUALTY"), all insurance, condemnation and other proceeds shall be paid to the Beneficiary and applied by the Beneficiary in the following order (i) to pay all costs and expenses incurred by the Beneficiary in the collection of such insurance proceeds; (ii) to pay all debt secured by this Deed of Trust, or in Beneficiary's sole discretion to pay all or part of the costs of repairs and restoration, on such terms and conditions as the Beneficiary determines are appropriate in Beneficiary's sole discretion; and (iii) the balance, if any, shall be paid to the Grantor or any other person entitled to payment of the balance.

8. Taxes:

8.01. Grantor shall pay before the date payment is due (in other words, before any fine, penalty, interest or other cost may be added because of non-payment or late payment), all taxes and assessments (general and special, ordinary and extraordinary, foreseen and unforeseen), use, rent and occupancy taxes, excises, levies and fees (collectively referred to as "IMPOSITIONS"), levied, charged, confirmed, imposed or assessed against or payable out of or which have become a lien against the Property.

8.02. Prior to the date that any Imposition becomes due, the Grantor shall deliver to the Beneficiary, an official receipt of the appropriate taxing authority or other evidence satisfactory to the Beneficiary, evidencing the payment of such Imposition.

9. Prohibition of Transfers, Liens, Security Interests and Encumbrances:

Without the prior written consent of the Beneficiary, the Grantor shall not cause, permit or suffer the direct, indirect, voluntary or involuntary (including without limitation, by operation of law) sale, transfer, lease, tenancy, possession, license, disposition, conveyance, mortgage, pledge, hypothecation, assignment, or the grant or creation of any lien, security interest,

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option, right of first refusal, easement, covenant, restriction or other encumbrance of the Property or any part thereof, or any direct or indirect or beneficial interest therein, or any direct or indirect or beneficial interest in the Grantor, or any partner or member of the Grantor, or any controlling stockholder of the Grantor, or any direct or indirect or beneficial interest in the Property or any part thereof, or in the Grantor, or any partner or member of the Grantor, or controlling stockholder of the Grantor.

10. Physical Condition and Zoning of Real Estate:

10.01. The Grantor shall not vacate, abandon, remove, demolish or alter any of the Property (including without limitation intended, including without limitation intended, by mining, excavating, removing topsoil, landscaping, timbering or changing the grade) without obtaining the prior consent of the Beneficiary. Beneficiary may withhold Beneficiary's consent for any reason which is reasonable from the perspective of the Beneficiary, including without limitation intended, any reasonable concern that the priority of this Deed of Trust may be jeopardized by contractors' or suppliers' liens or construction financing liens, there may not be sufficient funds to ensure the completion of the applicable work, the contractor(s) engaged to perform the work are not fully qualified to the satisfaction of the Beneficiary, there are not payment and performance bonds or other collateral satisfactory to the Beneficiary, the terms and conditions of the construction contracts are not satisfactory to the Beneficiary, the warranties covering defects are not satisfactory to the Beneficiary, there not adequate assurances that the work will be inspected at appropriate intervals from engineers or other experts satisfactory to Beneficiary, there are not adequate assurances of certifications of engineers or other experts inspecting the work in favor of Beneficiary, or the plans and specifications for the work do not confirm that when the work is completed the value of the Property will be increased.

10.02. Except when making replacements of equivalent or greater value and usefulness, the Grantor shall not remove any fixtures or personal property used in connection with the ownership or operation of Property without the prior consent of the Beneficiary.

10.03. The Grantor shall not commit, suffer or permit waste, damage or disfigurement of the Property or any part thereof.

10.04. The Grantor shall not commit, suffer or permit any public or private nuisance to exist in the Property.



10.05. The Grantor shall not operate, use, suffer or permit the use or operation of the Property for agricultural or farming purposes.

10.06. The Grantor shall not operate, use, suffer or permit the use or operation of the Property for any purpose prohibited by Law, or any use associated with any violation of Law, including without limitation intended, massage parlor, topless or exotic dancing, "head shop" or other distribution of substances or devices most commonly associated with any activity prohibited by Law.

11. Condemnation: The following provisions relating to condemnation proceedings are a part of this Deed of Trust.

11.01. Proceedings: If any proceeding in condemnation is filed, Grantor shall promptly notify Lender in writing, and Grantor shall promptly take such steps as may be necessary to defend the action and obtain the award. Grantor may be the nominal party in such proceeding, but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of its own choice all at Grantor's expense, and Grantor will deliver or cause to be delivered to Lender such instruments and documentation as may be requested by Lender from time to time to permit such participation.

11.02. Application of Net Proceeds: If all or any part of the Property is condemned by eminent domain proceedings or by any proceeding or purchase in lieu of condemnation, Lender may at its election require that all or any portion of the net proceeds of the award be applied to the Indebtedness or the repair or restoration of the Property. The net proceeds of the award shall mean the award after payment of all reasonable costs, expenses, and attorney's fees incurred by Trustee or Lender in connection with the condemnation.

12. Laws:

12.01. General: The Grantor shall comply with all laws and other governmental requirements affecting the Property. The Grantor shall not violate, suffer or permit the violation of any Law. "LAW" means all law, including all common law, statutes, codes, ordinances, regulations, rules, other governmental requirements, orders, decrees and judgments of all governmental and quasi-governmental authorities and jurisdictions, including without limitation intended, federal, interstate, regional, state, county and



municipal legislatures, agencies, commissions, boards, officers, courts and tribunals.

12.02. Hazardous Waste and Other Substances:

(a) Grantor hereby represents and warrants to Beneficiary that, as of the date hereof: (i) to the best of Grantor's knowledge, information and belief, the Property is not in direct or indirect violation of any Law pertaining to human health, environmental regulation, contamination or clean-up (collectively, "ENVIRONMENTAL LAWS"), including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. §9601 et seq. and 40 CFR §302.1 et seq.), the Resource Conservation and Recovery Act of 1976 (42 U.S.C. §6901 et seq.), the Federal Water Pollution Control Act (33 U.S.C. §1251 et seq. and 40 CFR §116.1 et seq.), those relating to lead based paint, and the Hazardous Materials Transportation Act (49 U.S.C. §1801 et seq.), and the regulations promulgated pursuant to such law laws, all as amended; (ii) no hazardous, toxic or harmful substances, wastes, materials, pollutants or contaminants (including, without limitation, asbestos, lead based paint, mold, fungus, spores, polychlorinated biphenyls, petroleum products, flammable explosives, radioactive materials, infectious substances or raw materials which include hazardous constituents) or any other substances or materials which are included under or regulated by Environmental Laws (collectively, "HAZARDOUS SUBSTANCES") are located on or have been handled, generated, stored, processed or disposed of on or released or discharged from the Property (including underground contamination) except for those substances used by Grantor in the ordinary course of its business and in compliance with all Environmental Laws; (iii) the Property is not subject to any private or governmental lien or judicial or administrative notice or action relating to Hazardous Substances; (iv) there are no existing or closed underground storage tanks or other underground storage receptacles for Hazardous Substances on the Property; (v) Grantor has received no notice of, and to the best of Grantor's knowledge and belief, there exists no investigation, action, proceeding or claim by any agency, authority or unit of government or by any third party which could result in any liability, penalty, sanction or judgment under any Environmental Laws with respect to any condition, use or operation of the Property nor does Grantor know of any basis for such a claim; and (vi) Grantor has received no notice of and, to the best of Grantor's knowledge and belief, there has been no claim by any party that any use, operation or condition of the Property has caused any nuisance or any other liability or adverse condition on any other property nor does Grantor know of any basis for such a claim.



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(b) Except for those substances used by typical retail stores and commercial offices in the ordinary course of their business and in compliance with all Environmental Laws, Grantor shall keep or cause the Property to be kept free from Hazardous Substances and in compliance with all Environmental Laws, shall not install or use any underground storage tanks, shall expressly prohibit the use, generation, handling, storage, production, processing and disposal of Hazardous Substances by all tenants and other occupants of space in the Improvements.

(c) Grantor shall promptly notify Beneficiary if Grantor shall become aware that the Property is or may be in direct or indirect violation of any Environmental Laws. Further, immediately upon receipt of the same, Grantor shall deliver to Beneficiary copies of any and all orders, notices, permits, applications, reports, and other communications, documents and instruments pertaining to the actual, alleged or potential presence or existence of any Hazardous Substances at, on, about, under, within, near or in connection with the Property. Grantor shall, promptly and when and as required by Beneficiary, at Grantor's sole cost and expense, take all actions as shall be necessary or advisable for the clean-up of any and all portions of the Property or other affected property, including, without limitation, all investigative, monitoring, removal, containment and remedial actions in accordance with all applicable Environmental Laws (and in all events in a manner satisfactory to Beneficiary), and shall further pay or cause to be paid, at no expense to Beneficiary, all clean-up, administrative and enforcement costs of applicable governmental agencies which may be asserted against the Property. In the event Grantor fails to do so, Beneficiary may, but shall not be obligated to, cause the Property or other affected property to be freed from any Hazardous Substances or otherwise brought into conformance with Environmental Laws and any and all costs and expenses incurred by Beneficiary in connection therewith, together with interest thereon at the Default Rate (as defined in the [Note]) from the date incurred by Beneficiary until actually paid by Grantor, shall be immediately paid by Grantor on demand and shall be secured by this Deed of Trust and by all of the other Loan Documents securing all or any part of the indebtedness evidenced by the Note. Grantor hereby grants to Beneficiary and its agents and employees access to the Property and a license at Grantor's sole cost and expense, to remove any items and substances deemed by Beneficiary to be Hazardous Substances and to do all things Beneficiary shall deem necessary to bring the Property in conformance with Environmental Laws. Grantor covenants and agrees, at Grantor's sole cost and expense, to indemnify, defend (at trial and appellate levels, and with attorneys, consultants and experts acceptable to Beneficiary), and hold



Beneficiary harmless from and against any and all liens, damages, losses, liabilities, obligations, settlement payments, penalties, assessments, citations, directives, claims, litigation, demands, defenses, judgments, suits, proceedings, costs, disbursements or expenses of any kind or of any nature whatsoever (including, without limitation, reasonable attorneys', consultants' and experts' fees and disbursements actually incurred in investigating, defending, settling or prosecuting any claim, litigation or proceeding) which may at any time be imposed upon, incurred by or asserted or awarded against Beneficiary or the Property, and arising directly or indirectly from or out of: (i) the presence, release or threat of release of any Hazardous Substances on, in, under or affecting all or any portion of the Property or any surrounding areas, regardless of whether or not caused by or within the control of Grantor; (ii) the violation of any Environmental Laws 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 conditions of this Section 12.02; (iv) the breach of any representation or warranty contained in this Section 12.02; or (v) the enforcement of this Section 12.02, including, without limitation, the cost of assessment, containment and/or removal of any and all Hazardous Substances from all or any portion of the Property or any surrounding areas, the cost of any actions taken in response to the presence, release or threat of release of any Hazardous Substances on, in, under or affecting any portion of the Property or any surrounding areas to prevent or minimize such release or threat of release so that it does not migrate or otherwise cause or threaten danger to present or future public health, safety, welfare or the environment, and costs incurred to comply with the Environmental Laws in connection with all or any portion of the Property or any surrounding areas. The indemnity set forth in this Section 12.02(c) shall also include any diminution in the value of the security afforded by the Property or any future reduction in the sales price of the Property by reason of any matter set forth in this Section 12.02(c). Beneficiary's rights under this Section shall survive payment in full of the indebtedness secured hereby and shall be in addition to all other rights of Beneficiary under this Deed of Trust, the Note and the other Loan Documents.

(d) Upon Beneficiary's request, at any time after the occurrence of an Event of Default hereunder or at such other time as Beneficiary has reasonable grounds to believe that Hazardous Substances are or have been released, stored or disposed of on or around the Property or that the Property may be in violation of the Environmental Laws, Grantor shall provide, at Grantor's sole cost and expense, an inspection or audit of the Property prepared by a hydrogeologist or environmental engineer or other



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appropriate consultant approved by Beneficiary indicating the presence or absence of Hazardous Substances on the Property or an inspection or audit of the Improvements prepared by an engineering or consulting firm approved by Beneficiary indicating the presence or absence of friable asbestos or substances containing asbestos on the Property. If Grantor fails to provide such inspection or audit within 30 days after such request, Beneficiary may order the same, and Grantor hereby grants to Beneficiary and its employees and agents access to the Property and a license to undertake such inspection or audit. The cost of such inspection or audit, together with interest thereon at the Default Rate from the date incurred by Beneficiary until actually paid by Grantor, shall be immediately due and payable to Beneficiary by Grantor on demand and shall be secured hereby and by all of the other Loan Documents securing all or any part of the indebtedness evidenced by the Note.

(e) If, prior to the date hereof, it was determined or suspected that the Property contains Lead Based Paint, Grantor had prepared an assessment report describing the location and condition of the Lead Based Paint (a "LEAD BASED PAINT REPORT"). If, at any time hereafter, Lead Based Paint is suspected of being present on the Property, Grantor agrees, at its sole cost and expense and within 20 days thereafter, to cause to be prepared a Lead Based Paint Report prepared by an expert, and in form, scope and substance, acceptable to Beneficiary.

(f) Grantor agrees that if it has been, or if at any time hereafter it is, determined that the Property contains Lead Based Paint, on or before 30 days following (i) the date hereof, if such determination was made prior to the date hereof or (ii) such determination, if such determination is hereafter made, as applicable, Grantor shall, at its sole cost and expenses, develop and implement, and thereafter diligently and continuously carry out (or cause to be developed and implemented and thereafter diligently and continually to be carried out), an operations, abatement and maintenance plan for the Lead Based Paint on the Property, which plan shall be prepared by an expert, and be in form, scope and substance, acceptable to Beneficiary (together with any Lead Based Paint Report, the "O&M PLAN"). (If an O&M Plan has been prepared prior to the date hereof, Grantor agrees to diligently and continually carry out (or cause to be carried out) the provisions thereof). Compliance with the O&M Plan shall require or be deemed to require, without limitation, the proper preparation and maintenance of all records, papers and forms required under the Environmental Laws.



12.03. Indemnity: The Grantor shall indemnify and hold the Beneficiary harmless from all liabilities, damages, costs and expenses, including attorneys' fees, disbursements, amounts paid in settlement of claims, investigation costs, clean-up and remedial costs, paid or incurred as a result of any breach of any Law and not attributable to the unlawful conduct of the Beneficiary. The indemnity contained in this Section shall survive the reconveyance of this Deed of Trust and the payment of the Note(s) secured by this Deed of Trust.

13. Defaults:

The following events shall constitute a Default:

13.01. any failure to make any monthly payment of interest or principal due under the Note within 10 days after the date payment is due;

13.02. any failure to make any payment of Reserves by the date is due;

13.03. any failure to make any payment of any Imposition prior to the date that any interest, penalties or fines can be imposed;

13.04. any failure to pay any late charge within five days after notice is given by the Beneficiary that a late charge is due;

13.05. any failure to pay any other obligation of the Grantor under the Note, this Deed of Trust or any other Loan Document within five days after notice is given that payment is due;

13.06. any failure to obtain or maintain in full force and effect any of the insurance coverage required by or pursuant to this Deed of Trust or to fulfill any of the other obligations of the Grantor with respect to the insurance required by this Deed of Trust;

13.07. any failure to observe or perform any other obligation of the Grantor under the Note, this Deed of Trust or any other Loan Document, which continues ten days after notice of such failure is given by the Beneficiary.

14. Beneficiary's Rights to Perform Grantor's Obligations:

Immediately upon the occurrence of any default or potential default, the Beneficiary shall have the right in its sole discretion, without giving any notice to



the Grantor, to pay or perform in whole or in part any obligation, which the Grantor failed to pay, observe, or perform. All costs and expenses incurred by the Beneficiary in connection therewith shall be due and payable to the Beneficiary immediately after notice to the Grantor, shall be secured by this Deed of Trust [and the Assignment of Leases], and shall bear interest at the Default Rate.

15. Beneficiary's Remedies:

Upon the occurrence of any default:

15.01. Beneficiary may without notice to Grantor, declare the entire debt secured by this Deed of Trust to be due and payable immediately, and upon such declaration the entire debt shall immediately become due and payable;

15.02. Beneficiary may immediately apply any money held by Beneficiary for the account or benefit of the Grantor or the Property (including without limitation intended, any Reserves or Proceeds) towards the payment of the debt secured by this Deed of Trust;

15.03. Beneficiary may immediately foreclose this Deed of Trust in accordance with the Law and/or cause the Trustee to exercise the power of sale granted by this Deed of Trust in accordance with the law, and in either case cause the sale of the Property, in one or more parcels;

15.04. Beneficiary shall have all of the rights and remedies of a "secured party" and the Grantor shall have all of the obligations and be subject to all of the limitations imposed upon a "debtor" under the Uniform Commercial Code as adopted in the state in which the Property is situated, with respect to the property encumbered by this Deed of Trust which is considered to be personal property or fixtures;

15.05. Beneficiary shall have such other and additional rights and remedies as may be provided by law or under this Deed of Trust or the Note or the Assignment of Leases.

16. Late Charges:

In the event that any payment of the debt secured by this Deed of Trust (including without limitation intended, any monthly installment payable



pursuant to the Note) is not paid on the date due, within five days after demand is made by the Beneficiary, the Grantor shall pay the Beneficiary a Late Charge (as such term is defined in the Note).

17. Litigation Expenses:

The term "LITIGATION EXPENSES" shall mean any and all damages, costs, expenses, liabilities, penalties and fines (including without limitation intended, attorneys' fees, disbursements, premiums for title insurance commitments and policies, expert witness fees, paralegal fees, reporters' fees, reproduction and printing costs, including any of the foregoing which are incurred in connection with any appeal, and amounts paid in settlement of claims, rights to relief or causes of action, paid or incurred by the Trustee or the Beneficiary as a result of any default, or potential default, or in connection with any action, proceeding or otherwise (including civil, bankruptcy or arbitration) to enforce or defend the liens, security interests, rights or remedies granted by the Note, this Deed of Trust, or applicable law. If a Party retains a lawyer to construe, defend or enforce the Note or this Deed of Trust, the prevailing Party shall be entitled to recover its Litigation Expenses regardless of whether any litigation is actually begun.

18. No Usury: Despite any other provision of this Deed of Trust, the Note or any other loan documents to the contrary, the Beneficiary shall not be entitled to receive or collect, nor shall the Grantor be authorized or obligated to pay, interest on any of the Indebtedness in excess of the maximum rate of interest, if any, permitted by any applicable law which limits the amount of interest that may be paid upon the debt secured by this Deed of Trust. If any provision of this Deed of Trust, the Note or any other loan documents shall ever be construed by any court of competent jurisdiction to permit the collection of or require the payment of any amount of interest in excess of that permitted by any such law, the provisions of this Section shall control and override any such provision.

19. Estoppel Certificates:

The Grantor and the Beneficiary shall, from time to time, within 20 days after a request from the other party, sign, acknowledge and deliver to the other party, a certificate setting forth: (i) the unpaid principal balance of the Note, the unpaid accrued interest on the Note and any other debt collateralized with this Deed of Trust; (ii) the maturity date of the Note and any other debt collateralized with this Deed of Trust; (iii) the rate of interest due and payable



under the Note and any other debt collateralized with this Deed of Trust; (iv) the date through which principal and interest have been paid; (v) the amount of any Reserves held hereunder; (vi) that the party requested to make such certificate has given the other party no uncured notices of default and has no actual knowledge of any uncured defaults.

20. Notices:

Any notice, demand, request, approval, consent or other communication (collectively "NOTICE") concerning this Deed of Trust or any other loan document, or the Property, shall be in writing and addressed as follows:

If to Grantor to:

Grandview North LLC
129 North Olympic Ave.
PO Box 159
Arlington, WA 98223

If to Beneficiary to:

J&J Dakota LLC
c/o James W. Ries
3703 91st Pl SE
Everett, WA 98208

with a copy to:

Attn: David Riley
Weinstein & Riley, P.S.
2001 Western Avenue, Suite 400
Seattle, WA 98121-3131

If to Trustee to:

First American Title Insurance Company
1301 B Riverside Dr.
Mount Vernon, WA 98027

Any Notice shall be given by either: (i) personal delivery in which event it shall be deemed given on the date of delivery; (ii) certified mail return receipt requested in which event it shall be deemed given three business days after the date postmarked; or (iii) by nationally recognized courier service providing next or second business day delivery service, in which event it shall be

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deemed given the next or second business day, as applicable, after acceptance by the service for delivery. Any Party may change any address for the delivery of Notice to such Party, by giving Notice in accordance with the provisions of this Section 20. The attorneys for the Parties may give any Notice.

21. Miscellaneous:

21.01. Successors. Subject to the limitations upon transfer set forth in Section 9 of this Deed of Trust, the rights and obligations of the parties under this Deed of Trust, shall inure to the benefit of and be binding upon the parties and all persons who succeed to their respective rights and obligations.

21.02. Modifications/Waivers. This Deed of Trust cannot be changed nor can any provision of this Deed of Trust, or any right or remedy of the parties, be waived orally. Changes and waivers can only be made in writing and the change or waiver must be signed by the party against whom the change or waiver is sought to be enforced. Any waiver of any provision of this Deed of Trust, or any right or remedy, given on any on one or more occasions shall not be deemed a waiver with respect to any other occasion.

ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, EXTEND CREDIT, OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.

21.03. Captions. The captions contained in this Deed of Trust were inserted for the convenience of reference only. They do not in any manner define, limit or describe the provisions of this Deed of Trust or the intentions of the parties.

21.04. Joint and Several Liability. Each person signing this Deed of Trust as grantor (if more than one) shall be singularly and collectively liable for the full payment, performance and observance of all of the obligations of the Grantor under this Deed of Trust and the Note.

21.05. Severability. In the event that one or more provisions of this Deed of Trust, the Note or any other loan documents or the application thereof shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions or any other application thereof shall in no way be affected or impaired.

21.06. Remedies Not Exclusive/Action Not Election: All of the rights and remedies granted to the Beneficiary or the Trustee by this Deed of Trust, the



Note, any other loan documents, and the law, shall be cumulative, not exclusive and shall in addition to and not in lieu of all rights and remedies granted by this Deed of Trust, the Note, any other loan Documents and the law.

21.07. Time of the Essence: Time is of the essence for the payment, performance and observance of all of the Obligations.

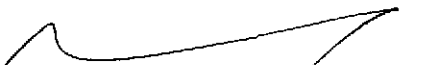
21.08. Governing Law: **This Deed of Trust will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Washington without regard to its conflicts of law provisions. This Deed of Trust has been accepted by Lender in the State of Washington.**

21.09. Venue: If there is a lawsuit, Grantor agrees upon Lender's request to submit to the jurisdiction of the courts of Skagit County, State of Washington.

IN WITNESS WHEREOF, the parties have signed, acknowledged and delivered this Deed of Trust as of the date set forth in the first Section of this Deed of Trust.

GRANTOR:

Grandview North LLC

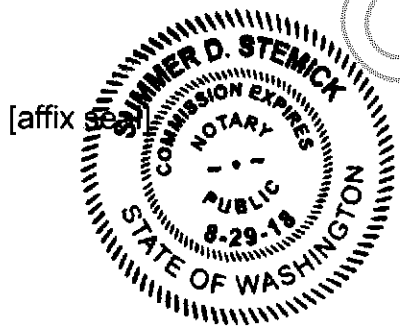
By: 
Scott T. Wammack

Its: Manager



STATE OF WASHINGTON)
) ss.
COUNTY OF Skamania)

I, the undersigned, a notary public in and for the State of Washington, hereby certify that on this 11th day of Feb, 2015, personally appeared before me **Scott T. Wammack**, to me known or having presented satisfactory evidence to be, and on oath stated that he/she is a **Manager of Grandview North LLC**, the limited liability company that executed the foregoing instrument, and he acknowledged the said instrument to be the free and voluntary act and deed of said limited liability company, for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the said instrument on behalf of the limited liability company and on behalf of the members in the limited liability company.



Summer D Stemick
NOTARY PUBLIC, in and for the
State of Washington
My appointment/commission expires
8/29/18
Residing at Granite Falls

REQUEST FOR FULL RECONVEYANCE
Do not record. To be used only when note has been paid

TO: TRUSTEE

The undersigned is the legal owner and holder of the note and all other indebtedness secured by the within Deed of Trust. Said note, together with all other indebtedness secured by said Deed of Trust, has been fully paid and satisfied, and you are hereby requested and directed, on payment to you of any sums owing to you under the terms of said Deed of Trust, to cancel said note above mentioned, and all other evidences of indebtedness secured by said Deed of Trust delivered to you herewith, together with the said Deed of Trust, and to reconvey, without warranty, to the parties designated by the terms of said Deed of Trust, all the estate now held by you thereunder.

Dated _____, _____, _____

SHORT FORM DEED OF TRUST, SECURITY AGREEMENT, FIXTURE FILING AND ASSIGNMENT
OF LEASES AND RENTS - 18



201502120034

EXHIBIT A

Legal Description

The North 105 feet of the South 180 feet of the East 115.5 feet of Tract 4, "SEDRO ACREAGE", as per plat recorded in Volume 3 of Plats, page 35, records of Skagit County, Washington.

TOGETHER WITH the West 96.5 feet of the East 212 feet of Tract 4, "SEDRO ACREAGE", as per plat recorded in Volume 3 of Plats, page 35, records of Skagit County, Washington.

EXCEPT the Northerly 20 feet as conveyed to the City of Sedro Woolley under Auditor's File No. 199911190064, records of Skagit County, Washington.

AND EXCEPT the East 10 feet as conveyed to the City of Sedro Woolley under Auditor's File No. 9809280129, records of Skagit County, Washington.

AND EXCEPT the South 66.70 feet of the North 86.70 feet of the West 41.50 of the East 212 feet of Tract 4, "SEDRO ACREAGE", as per plat recorded in Volume 3 of Plats, page 35, records of Skagit County, Washington.

(Also known as Parcel A of Survey for Boundary Line Adjustment recorded April 7, 2007, under Auditor's File No. 200704170179.)

