

UNRECORDED INSTRUMENT

Recording Requested By
And When Recorded Mail To:

City National Bank
2100 Park Place, Suite 150
El Segundo, CA 90245

Attn: Cynthia Toguchi

Account No. XXXX55994
TR No. 423154



201706230157

Skagit County Auditor

\$83.00

6/23/2017 Page

1 of

10

3:08PM

POOR ORIGINAL

A.P.N.: P128094

Space Above This Line for Recorder's Use

LAND TITLE OF SKAGIT COUNTY
01-162165 DEED OF TRUST

This Deed of Trust (hereafter, "Deed of Trust") is made as of **June 5, 2017**, between **Richard N. Beattie and Adrienne L. Beattie, Trustees of The Beattie Family Trust U/A dated November 27, 2001**, herein called "Trustor" whose address is **4608 Cutter Drive, Anacortes, WA 98221**, Old Republic National Title Insurance Company herein called "Trustee", and CITY NATIONAL BANK, a national banking association, herein called "Beneficiary".

TRUSTOR IRREVOCABLY GRANTS, TRANSFERS AND ASSIGNS to TRUSTEE IN TRUST, WITH POWER OF SALE, for the benefit of Beneficiary that property in Skagit County, Washington (the "Property") described as:

LOT 14, "PLAT OF SAN JUAN PASSAGE PUD," AS PER PLAT RECORDED ON NOVEMBER 26, 2008, UNDER AUDITOR'S FILE NO. 20081260099, RECORDS OF SKAGIT COUNTY, WASHINGTON.

SITUATE IN THE CITY OF ANACORTES, COUNTY OF SKAGIT, STATE OF WASHINGTON.

Also known as: 4608 Cutter Drive, Anacortes, WA 98221

TOGETHER WITH an absolute assignment of the leases, rents, issues and profits thereof, SUBJECT, HOWEVER, to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply such rents, issues and profits. The foregoing assignment of rents will be immediate, cohate and perfected upon the recordation of this Deed of Trust, as set forth in RCW 7.28.230.

None of the Property is presently, or will during the term of this Deed of Trust be, used principally or at all for agricultural or farming purposes.

This Deed of Trust is made for the purpose of securing:

1. Performance of each agreement of Trustor herein contained, and repayment of any funds advanced by or which Beneficiary or Trustee become obligated to advance under this Deed of Trust.
2. Payment of the indebtedness evidenced by the Total Line of Credit Agreement and Disclosures of even date herewith (the "TLC Agreement"), and any extensions or renewals thereof, executed by **Richard N. Beattie and Adrienne L. Beattie ("Borrower")** in favor of Beneficiary or order, in the principal sum of **SIX HUNDRED THOUSAND AND NO/100THS DOLLARS (\$600,000.00)**. The TLC Agreement provides that under certain circumstances, amounts repaid by Grantor may be re-borrowed. As a consequence, the principal balance due under the TLC Agreement may vary from time to time, but it will not exceed the maximum credit line (or credit limit) of **SIX HUNDRED THOUSAND AND NO/100THS DOLLARS (\$600,000.00)**, except as a consequence of principal advances by Beneficiary to preserve and protect the Property or as a consequence of a default by Trustor.
3. Reserved.

Trustor further agrees as Follows:

4. Trustor shall, with respect to the property described in this Deed of Trust:
 - 4.1. Keep said property in good condition and repair;
 - 4.2. Not remove or demolish any building or other structure;
 - 4.3. Complete or restore promptly and in good and workmanlike manner any building or other structure which may be constructed, damaged or destroyed and pay when due all claims for labor performed and materials furnished therefor;
 - 4.4. Comply with all laws affecting said property or requiring any alterations or improvements to be made thereon;
 - 4.5. Not commit, suffer or permit waste;
 - 4.6. Not commit, suffer or permit any act upon such property in violation of law, including but not limited to all Federal, state and local statutes, ordinances or regulations relating to hazardous or toxic waste;
 - 4.7. Cultivate, irrigate, fertilize, fumigate, prune and do all other acts which from the character or use of the property may be reasonably necessary to maintain its value, the specific enumerations herein not excluding the general;

4.8. Provide, maintain and deliver to Beneficiary such evidence of insurance coverage as is satisfactory to and with loss payable to Beneficiary;

4.9. Appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and pay all costs and expenses, including cost of evidence of title and attorneys' fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear, and in any suit brought by Beneficiary to foreclose this Deed of Trust;

4.10. Pay at least ten days before delinquency all taxes and assessments affecting said property, including assessments on appurtenant water stock;

4.11. Pay when due all encumbrances, charges and liens which appear to be prior or superior to the lien created by this Deed of Trust, together with any interest, costs or other sums secured thereby;

4.12. Cure within the time specified in any lease or sublease, or immediately if not specified, any defaults or breaches thereof and do all acts necessary to insure that any such lease or sublease remain in full force and effect; and

4.13. With respect to any property described above which is less than a fee-simple estate, including but not limited to a leasehold estate:

4.13.1. Trustor shall cure within the time specified in the above-described lease, or other agreement, or immediately if not specified therein, any default or breaches thereof and to do all acts necessary to insure the above-described lease or other agreement remains in full force and effect; and

4.13.2. Trustor shall not voluntarily terminate, surrender or subordinate any leasehold or other estate encumbered hereby and any attempt by Trustor to do so shall be wholly void and without any force and effect.

5. Trustor covenants and agrees that to effectuate the terms and conditions of this Deed of Trust:

5.1. Trustor shall, upon reasonable notice by Beneficiary, during normal business hours or at such other time if reasonably required, permit Beneficiary, and any of its agents or employees to inspect the property and copy such records of Trustor that pertain to the property, whether or not located at the property.

5.2. Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee may, but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof: make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof. Beneficiary or Trustee being authorized to enter upon said property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or

powers of Beneficiary or Trustee; pay, purchase, contest or compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto; and, in exercising any such powers, pay necessary expenses, employ counsel and pay his reasonable fees. Trustor shall pay immediately and without demand all sums so expended by Beneficiary or Trustee with interest from date of expenditure at the amount set forth in the promissory note secured hereby, or if the obligation secured hereby does not specify a rate of interest, at a rate of interest equal to the Beneficiary's Prime Rate as it may exist from time to time plus five percent (5.0%) but in no event less than ten percent (10.0%) per annum.

5.3. Trustor agrees to indemnify and hold Beneficiary, and any of its successors in interest, harmless from any waste or violations of law, including but not limited to all Federal, state and local statutes, ordinances or regulations relating to hazardous or toxic wastes.

5.4. Any award of damages in connection with any full or partial condemnation for public use of or injury to said property is hereby assigned and shall be paid to Beneficiary who shall apply said moneys in reduction of the principal amount of the indebtedness secured to the extent necessary to render its security unimpaired. If the obligation secured hereby includes obligations to reimburse the Beneficiary for moneys the Beneficiary is committed to advance to Trustor or third persons in the future, said award of damages shall be held as collateral for such reimbursement obligation in lieu of the property which is condemned. An action for inverse condemnation shall be deemed an action for condemnation under this paragraph.

5.5. Insurance proceeds shall be held, in trust, by Beneficiary and applied to the reasonable costs of repair and restoration of the property if such proceeds, together with funds supplied by Trustor, are sufficient to restore the property in such a manner that the Beneficiary's security interest hereunder remains unimpaired. If the insurance proceeds, together with funds supplied by Trustor, are not sufficient to restore the property in such a manner that the Beneficiary's security interest hereunder remains unimpaired, said proceeds, at the option of Beneficiary, may be applied to the obligation secured hereby or to restoration of the property. If Trustor disagrees with Beneficiary's disposition of insurance proceeds hereunder, Trustor agrees to submit the matter to binding arbitration before a three-member panel (or one-member panel if the insurance proceeds are less than \$200,000) of the American Arbitration Association pursuant to the rules and regulations of the American Arbitration Association. The arbitrators shall also apportion the costs of arbitration, including attorneys' fees, to the extent each party has prevailed.

6. As additional security, Trustor hereby gives to, confers upon, and absolutely assigns to Beneficiary the right, power and authority, during the continuance of this Deed of Trust, to collect the rents, issues and profits of said property, reserving unto Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, Beneficiary may at any time and without notice, except as provided by law, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in its own name sue for or otherwise collect such rents, issues and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorneys' fees, upon any indebtedness secured

hereby, and in such order as provided by law or as Beneficiary may determine. The entering upon and taking possession of said property, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice. The absolute assignment of rents, issues and profits contained in this Deed of Trust constitutes a present transfer of Trustor's interest in existing and future rents, issues and profits with respect to the property described in this Deed of Trust effective upon the execution and delivery of this Deed of Trust.

7. Reserved.

8. Beneficiary, or any successor in ownership of any indebtedness secured hereby, may from time to time, by instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument, executed by the Beneficiary and duly acknowledged and recorded in the office of the recorder of the county or counties where said property is situated, shall be conclusive proof of proper substitution of such successor Trustee or Trustees, who shall, without conveyance from the Trustee predecessor, succeed to all its title, estate, rights, powers and duties. Said instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the book and page where this Deed of Trust is recorded and the name and address of the new Trustee.

9. At any time or from time to time, without liability therefor and without notice, upon written request of Beneficiary and presentation of this Deed of Trust and the evidence of the obligation secured hereby for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may: reconvey any part of said property; consent to the making of any map or plat thereof; join in granting any easement thereon; or join in any extension agreement or any agreement subordinating the lien or charge hereof.

10. Upon written request of Beneficiary stating that all sums secured hereby have been paid, if applicable, Beneficiary's statement that no further commitment exists to make future advances or extend credit, and upon surrender of this Deed of Trust and the evidence of the obligation secured hereby to Trustee for cancellation and retention and upon payment of its fees, Trustee shall reconvey, without warranty, the property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto." Unless delivered to Trustor, or Trustor's successors and assigns as provided by law, six years after issuance of such full reconveyance, Trustee may destroy the evidence of indebtedness and this Deed of Trust (unless directed in such request to retain them).

11. Upon default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale and of written notice of default and of election to cause to be sold said property. Beneficiary also shall deposit with Trustee this Deed of Trust, the evidence of the obligation secured hereby and all documents evidencing expenditures secured hereby.

After the lapse of such time as may then be required by law following the issuance of said notice of default, and notice of sale having been given and recorded as then required by law, Trustee, without demand on Trustor, shall sell said property at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States, payable at the time of sale. Trustee may postpone sale of all or any portion of said property by public announcement at such time and place, and from time to time thereafter may postpone sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to such purchaser its deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person other than Trustee, including Trustor or Beneficiary may purchase at such sale.

If said property consists of more than one lot or parcel, the lots or parcels may be sold separately, together or in any combination, at the sole discretion of the Beneficiary. Trustor waives the right to direct the order in which said property may be sold when it consists of more than one lot or parcel. The order of sale of said property when it consists of more than one lot or parcel shall be at the sole discretion of the Beneficiary.

After deducting all costs, fees and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment of: all sums expended under the terms hereof, not then repaid, with accrued interest at the amount allowed by law in effect at the date hereof; all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto.

The procedure for exercise of the Trustee's power of sale, as set forth above, shall be modified to the extent necessary to be consistent with the requirements of the Deed of Trust Act of the State of Washington, RCW Ch 61.24, as now existing or hereafter amended. Foreclosure through exercise of the Trustee's power of sale is not an exclusive remedy, and Beneficiary may also, at its option, foreclose this Deed of Trust judicially, in the same manner as a mortgage, or sue on the TLC Agreement in accordance with applicable law.

12. This Deed of Trust applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term Beneficiary shall mean the owner and holder, including pledgees, of the evidence of the obligation secured hereby, whether or not named as Beneficiary herein. In this Deed of Trust, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural. By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive its right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.

13. That Trustee accepts this Trust when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee.

14. With respect to any Trustor under this Deed of Trust who is not obligated to repay the indebtedness referred to in Paragraph 2 above, such Trustor:

14.1. Authorizes Beneficiary without notice or demand and without affecting the security granted hereunder, from time to time to renew, compromise, extend, accelerate or otherwise change the time for payment of or otherwise change the terms of the indebtedness secured hereby, or any part thereof, including increase or decrease of the rate of interest thereon;

14.2. Waives any right to require Beneficiary to proceed against the persons liable for the indebtedness secured by this Deed of Trust, to proceed against or exhaust any other security securing the obligations secured by this Deed of Trust or to pursue any other remedy in Beneficiary's power whatsoever;

14.3. Waives any defense arising by reason of any disability, other defense, or the cessation from any cause whatsoever of the liability of any person liable for the indebtedness secured hereby.

14.4. Waives any rights or defenses the Trustor may have because the indebtedness of the Trustor who is obligated to repay the indebtedness is secured by real property or an estate for years.

Until all indebtedness secured by this Deed of Trust shall have been paid in full, and no commitment on the part of the Beneficiary to make future advances or extend credit either to Trustor or a third party exists, Trustor shall have no right of subrogation, and waives any right to enforce any remedy that Beneficiary now has or may hereafter have against any person liable for the indebtedness secured hereby, and waives any benefit of, any right to participate in any security now or hereafter held by Beneficiary and without limiting the generality of the foregoing, Trustor specifically waives and relinquishes as against Beneficiary any defense or benefit otherwise available to Trustor should Beneficiary make an election of remedies as against any person liable for the indebtedness secured hereby (and irrespective of the circumstances or manner in which or whereby such election is made) which destroys or impairs Trustor's subrogation rights or rights to proceed against any person liable for the indebtedness secured hereby for reimbursement. Trustor assumes the responsibility for being and keeping himself informed of the financial condition of any person liable for the indebtedness secured hereby and of all other circumstances bearing upon the risk of nonpayment of the indebtedness secured hereby which diligent inquiry would reveal, and agrees that Beneficiary shall have no duty to advise Trustor of information known to it regarding such condition or circumstances.

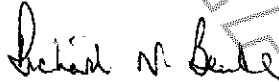
15. This Deed of Trust may be executed simultaneously in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

16. This Deed of Trust shall be governed by and construed in accordance with the laws of the State of Washington.

SHOULD THE TRUSTOR OR HIS SUCCESSOR IN INTEREST WITHOUT THE PRIOR WRITTEN CONSENT OF THE BENEFICIARY, WHICH CONSENT MAY BE GRANTED, WITHHELD, OR CONDITIONED IN THE BENEFICIARY'S SOLE DISCRETION, SELL, TRANSFER, MORTGAGE, PLEDGE, HYPOTHECATE, ASSIGN OR ENCUMBER, HIS INTEREST IN THE PROPERTY (OR ANY PART THEREOF), WHETHER VOLUNTARILY OR INVOLUNTARILY, THEN BENEFICIARY MAY AT ITS ELECTION DECLARE ALL SUMS SECURED HEREBY IMMEDIATELY DUE AND PAYABLE. THIS PROVISION SHALL APPLY TO EACH AND EVERY SALE, TRANSFER, MORTGAGE, PLEDGE, HYPOTHECATION, ASSIGNMENT OR ENCUMBRANCE REGARDLESS WHETHER OR NOT BENEFICIARY HAS CONSENTED TO, OR WAIVED, ITS RIGHT HEREUNDER, WHETHER BY ACTION OR NON-ACTION, IN CONNECTION WITH ANY PREVIOUS SALE, TRANSFER, MORTGAGE, PLEDGE, HYPOTHECATION, ASSIGNMENT OR ENCUMBRANCE, WHETHER ONE OR MORE.

The undersigned Trustor requests that a copy of any Notice of Default and of any Notice of Sale hereunder be mailed to him at his address hereinbefore set forth.

"TRUSTOR"



Richard N. Beattie, Trustee of The Beattie Family
Trust U/A dated November 27, 2001



Adrienne L. Beattie, Trustee of The Beattie Family
Trust U/A dated November 27, 2001

Loan originator (organization): City National Bank; NMLS # 536994

Loan originator (individual): Robert Pitois; NMLS # 592418

STATE OF WASHINGTON ss.
COUNTY OF SKAGIT

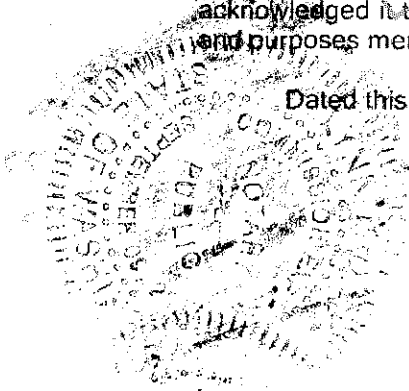
I certify that I know or have satisfactory evidence that Richard N. Beattie is the person who appeared before me, and that said person acknowledged that he or she signed this instrument in his or her capacity as a Trustee of the Beattie Family Trust u/a Dated November 27, 2001, on oath stated that said person was authorized to execute the instrument in his or her capacity as Trustee of the above-mentioned Trust, and acknowledged it to be the free and voluntary act of such Trustee and Trust for the uses and purposes mentioned in the instrument.

Dated this 10th day of JUNE, 2017.

[Signature]
(Signature of Notary)

Lynn M. Diak
(Legibly Print or Stamp Name of Notary)

Notary public in and for the state of WASHINGTON, residing at ANACORTES, WA
My appointment expires 9-9-17



UNRECORDED INSTRUMENT

STATE OF WASHINGTON ss.
COUNTY OF SKAGIT

I certify that I know or have satisfactory evidence that Adrienne L. Beattie is the person who appeared before me, and that said person acknowledged that he or she signed this instrument in his or her capacity as a Trustee of the Beattie Family Trust u/a Dated November 27, 2001, on oath stated that said person was authorized to execute the instrument in his or her capacity as Trustee of the above-mentioned Trust, and acknowledged it to be the free and voluntary act of such Trustee and Trust for the uses and purposes mentioned in the instrument.

Dated this 10th day of JUNE, 2017.



Lynn M. Diak
(Signature of Notary)

LYNN M. DIAK
(Legibly Print or Stamp Name of Notary)

Notary public in and for the state of WASHINGTON, residing at ANACORTES, WA

My appointment expires 9-9-17

UNRECORDED INSTRUMENT