

When recorded Please Return To:
Black Rock Homes, LLC
170 Crawford Road
Downingtown, PA 19335

DOCUMENT TITLE: DEED OF TRUST
REFERENCE NUMBER/OR RELATED DOCUMENT: N/A

GRANTOR: North Cascades Inn LLC

GRANTEE: Black Rock Homes, LLC

TRUSTEE: Guardian Northwest Title & Escrow Ptn. Gov. lot 4, Sec 10, Twp 35N, Rge 11 E

ABBREVIATED LEGAL DESCRIPTION: Ptn. Gov. lot 11, Sec 7, Twp 35N, Rge 11 E

ASSESSOR'S PROPERTY TAX PARCEL NUMBERS:

P45909 & P45915 & P46172

GNW 21-11191

DEED OF TRUST

This DEED OF TRUST, made this 11th day of June 2021, between GRANTOR, North Cascades Inn LLC, whose address is 60774 State Route 20, Marblemount, Washington 98267, and Black Rock Homes, LLC, whose address is 170 Crawford Road, Downingtown, Pennsylvania 19335, and Guardian Northwest Title & Escrow, TRUSTEE, whose address is 1301-B Riverside Drive, P.O. Box 1667, Mount Vernon, WA 98273.

WITNESSETH: Grantor hereby bargains, sells, and conveys to Trustee in Trust, with power of sale, the following described real property in Skagit County, Washington:

See attached Exhibit A.

Situate in Skagit County, Washington (hereafter the "Mortgaged Property").

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

This Deed is for the purpose of securing performance of each agreement of Grantors herein contained, and payment of the sum of One Million Two Hundred Seventy-five Thousand (\$1,275,000.00) Dollars, in accordance with the terms of a Promissory Note of even date herewith, payable to Beneficiary or order, and made by Grantor, and all renewals, modifications

and extensions thereof, and also such further sums as may be advanced or loaned by Beneficiary to Grantor, or any of his successors or assigns, together with interest thereon at such rate as shall be agreed upon.

To protect the security of this Deed of Trust, Grantor covenants and agrees:

1. To keep the property in good condition and repair, to permit no waste thereof; to complete any building, structure or improvement being built or about to be built thereon; to restore promptly any building, structure or improvement thereon which may be damaged or destroyed; and to comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting the property.
2. To pay before delinquencies all lawful taxes and assessments upon the property; to keep the property free and clear of all other charges, liens or encumbrances impairing the security of this Deed of Trust.
3. To keep all buildings now or hereafter erected on the property described herein continuously insured against loss by fire or other hazards in an amount not less than the total debt secured by this Deed of Trust. All policies shall be held and be in such companies as the Beneficiary may approve and have loss payable first to the Beneficiary, as its interest may appear, and then to the Grantor. The amount collected under any insurance policy may be applied upon any indebtedness hereby secured in such order as the Beneficiary shall determine. Such application by the Beneficiary shall not cause discontinuance of any proceedings to foreclose this Deed of Trust. In the event of foreclosure, all rights of the Grantor in insurance policies then in force shall pass to the purchaser at the foreclosure sale.
4. To defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary and to pay all costs, and expenses, including costs of title search and attorney's fees in a reasonable amount, in any such action or proceeding, and in any suit brought by the beneficiary to foreclose this Deed of Trust.
5. To pay all costs, fees, and expenses in connection with this Deed of Trust, including the expenses of the Beneficiary incurred in enforcing the obligation secured hereby and Beneficiary's and attorney's fees actually incurred, as provided by statute.
6. Should Grantor fail to pay when due any taxes, assessments, insurance premiums, liens, encumbrances or other charges against the property hereinabove described, Beneficiary may pay the same, and the amount so paid, with interest at the rate set forth in the Note secured hereby, shall be added to and become a part of the debt secured in this Deed of Trust.

IT IS MUTUALLY AGREED THAT:

1. In the event any portion of the property is taken or damaged in an eminent domain proceeding, the entire amount of the award or such portion as may be necessary to fully satisfy the obligation secured hereby, shall be paid to Beneficiary to be applied to said obligation.
2. By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive its right to require prompt payment when due of all other sums so secured or to declare default for failure to so pay.
3. The Beneficiary shall reconvey all or any part of the property covered by this Deed of Trust to the person entitled thereto on written request of the Grantor upon satisfaction of the obligation secured and written request for reconveyance made by the Grantor or the person entitled thereto.
4. Upon default by Grantor in the payment of any indebtedness secured hereby or in the performance of any agreements contained hereto, all sums secured hereby shall immediately become due and payable at the option of the Beneficiary. In such event and upon written request of Beneficiary, Trustee shall sell the trust property, in accordance with the Deed of Trust Act of the State of Washington, at public auction to the highest bidder. Any person except Trustee may bid at trustee's sale. Trustee shall apply the proceeds of the sale as follows: (1) to the expense of the sale, including a reasonable Trustee's fee and attorney's fee; (2) to the obligation secured by this Deed of Trust; (3) the surplus, if any shall be distributed to the person entitled thereto.
5. Trustee shall deliver to the purchaser at the sale its Deed, without warranty, which shall convey to the purchaser the interest in the property, which Grantor had or had the power to convey at the time of his execution of this Deed of Trust, and such as s/he may have acquired thereafter. Trustee's Deed shall recite the facts showing that the sale was conducted in compliance with all the requirements of law and of this Deed of Trust, which recital shall be prima facie evidence of such compliance and conclusive evidence thereof in favor of bona fide purchase and encumbrances for value.
6. The power of sale conferred by this Deed of Trust and by the Deed of Trust Act of the State of Washington is not an exclusive remedy: Beneficiary may cause this Deed of Trust to be foreclosed as a mortgage.
7. In the event of the death, incapacity, disability or resignation of Trustee, Beneficiary may appoint in writing a successor Trustee, and upon the recording of such appointment in the mortgage records of the county in which this Deed of Trust is recorded, the successor Trustee shall be vested with all powers of the original Trustee. The Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Grantor, Trustee or Beneficiary shall be a party unless the Trustee brings such action or proceeding.

8. This Deed of Trust applies to inures to the benefit of, and is binding not only on the parties hereto, but on their heirs, devisees, legatees, administrators, executors, and assigns. The term Beneficiary shall mean the holder and owner of the Note secured hereby, whether or not named as Beneficiary herein.

Dated this 11th day of June 2021.

GRANTOR:
North Cascades Inn LLC
A Washington State Limited Liability Company

R. Robert Reale *Manager*
By: R. Robert Reale, Manager

STATE OF WASHINGTON)
) ss.
COUNTY OF Skagit)

ON THIS 11th day of June 2021, before me personally appeared R. Robert Reale, who acknowledged himself to be the Manager of North Cascades Inn LLC and that as Manager he did sign and seal said instrument as such Manager being duly authorized to do so via resolution and that said instrument is the free act and deed of said Manager of North Cascades Inn LLC, for the uses and purposes herein mentioned.

Doug Clark
, Notary Public

Notary Public State of Washington Doug Clark Commission No. 196611 Commission Expires 12-15-2021
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REQUEST FOR FULL RECONVEYANCE

Do not record. To be used only when note has been paid.

TO: TRUSTEE, Guardian Northwest Title & Escrow

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 party designated by the terms of said Deed of Trust, all the estate now held by you hereunder.

Dated June _____, 2021

BY: _____

EXHIBIT "A"
Property Description

Closing Date: June 11, 2021
Buyer(s): North Cascades Inn LLC
Property Address: 60117 State Route 20, Marblemount, WA 98267

PROPERTY DESCRIPTION:

Parcel A:

That portion of Government Lot 11 in Section 7, Township 35 North, Range 11 East, W.M., described as follows:

Beginning at a point 1,588 feet East of the Southwest corner of Section 7, Township 35 North, Range 11 East, W.M.; thence North 132.5 feet; thence East 224 feet; thence South to the South line of said Section; thence West 224 feet to the point of beginning;

EXCEPT County road and State Highway right-of-way;

AND EXCEPT those portion conveyed to the State of Washington for highway purposes by deeds dated May 5, 1908, December 7, 1944 and February 9, 1979, and recorded August 10, 1908, January 13, 1945 and February 9, 1979 in Volume 68 of Deeds, page 377, under Auditor's File No. 377308 and under Auditor's File No. 896483.

Parcel B:

That portion of Government Lot 11 in Section 7, Township 35 North, Range 11 East, W.M., described as follows:

Beginning at a point 1,588 feet East of the Southwest corner of Section 7, Township 35 North, Range 11 East, W.M.; thence North 132.5 feet to the true point of beginning; thence North 15 feet; thence East 224 feet; thence South 15 feet; thence West 224 feet to the point of beginning;

EXCEPT road or right-of-way

AND EXCEPT that portion conveyed to the State of Washington for highway purposes by deeds dated May 5, 1908 and February 9, 1979, and recorded August 10, 1908, and February 9, 1979 in Volume 68 of Deeds, page 377, under Auditor's File No. 68790 and under Auditor's File No. 896483.

Parcel C:

That portion of the Southerly 147.5 feet of Government Lot 11, Section 7, Township 35 North, Range 11 East, W.M., within that strip of land conveyed to the State of Washington for public road by that deed dated May 5, 1908 and recorded August 10, 1908, in Volume 68 of Deeds, page 377, under Auditor's File No. 68790, records of said County, lying Westerly of that right-of-way line extending from a point opposite Highway Engineer's Station 197+90.43 on the centerline survey of State Highway Route No. 20, Marblemount Vic.: MP 105.58 to MP 106.53, and 22.34 feet Northerly therefrom Northeasterly to a point opposite Highway Engineer's Station 199+60 on said centerline survey and 40 feet Northwesterly therefrom and continuing thence, extending Northerly to a point opposite Highway Engineer's Station 201+55.10 on said centerline survey and 49.58 feet Westerly therefrom;

EXCEPT any portion of the above described property lying within that tract of land conveyed to the State of Washington by that deed dated December 7, 1944, and recorded January 13, 1945, in Volume 198 of Deeds, page 176, under Auditor's File No. 377308, records of said County;

AND EXCEPT any portion of the above described property lying within the right-of-way of the former Rock Creek and Cascade County Road No. CLVII, also known as the Cascade Wagon Road.

Parcel D:

That portion of Government Lot 4, Section 18, Township 35 North, Range 11 East, W.M., described as follows: Beginning at a point on the North line of said Lot 4, that is 1618 feet East of the Northwest corner of Lot 5, said Section 18, which is true point of beginning; thence East along said North line 85 feet; thence South at right angles 120 feet; thence West 85 feet; thence North 120 feet to the true point of beginning; EXCEPT the North 50 feet thereof for State Highway No. 20 (formerly #17A).

All situated in Skagit County, Washington.