

Recording Requested by And  
When Recorded Mail To:

ROBERT J. WEBER  
CARNEY BADLEY SPELLMAN, P.S.  
701 Fifth Avenue, Suite 3600  
Seattle, Washington 98104

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**Grantor:** LARGENT, SAM

**Grantee:** FLATSTICK PUB, LLC, a Washington limited liability company

**Trustee:** FIRST AMERICAN TITLE INSURANCE COMPANY

**Legal Description (abbr.):** PTN GL 11, 7-35-11 E W.M.  
Full legal description in Exhibit A.

**Assessor's Tax Parcel ID#:** 351107-3-027-0016/P45908

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GNW 24-20718 DEED OF TRUST

THIS DEED OF TRUST (the "Deed of Trust") is made this \_\_\_ day of May, 2024, by between SAM LARGENT, whose address is 10747 Littlefield Rd., Rockport, WA 98283 ("Grantor"), FIRST AMERICAN TITLE INSURANCE COMPANY, a corporation, whose address is 920 Fifth Avenue, Suite 1250, Seattle, Washington 98104 ("Trustee"), and FLATSTICK PUB, LLC, a Washington limited liability company, whose address is 15 Lake St., Suite 100, Kirkland, WA 98033 ("Beneficiary").

ARTICLE I  
GRANT IN TRUST

Grantor hereby grants, bargains, sells, conveys and warrants to Trustee, in trust with power of sale, that property in the County of Skagit, State of Washington, legally described in **Exhibit A** attached hereto and incorporated herein by this reference, TOGETHER WITH the following described estate, property and rights of Grantor (all of which are collectively referred to herein as the "Property") as security for the performance of each covenant and agreement of Grantor contained herein and for the payment of all sums of money secured hereby:

1.1 Land. All the estate, rights, title and interest of Grantor now held and hereafter acquired in and to the Property legally described in Exhibit A attached hereto and in and to land lying in streets, roads, sidewalks, ways and alleys adjoining said Property, and all access rights and easements appertaining thereto (the "Land"); and

1.2 Improvements. All buildings, structures, improvements, furnishings, fixtures and equipment, real, personal and mixed, now or hereafter attached to, or used or adapted for use in the operation of, the Land, and replacements and additions thereto, including without limitation, all heating

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and incinerating apparatus and equipment whatsoever, all boilers, engines, motors, dynamos, generating equipment, pumps, piping and plumbing fixtures, cooling, ventilating, sprinkling and fire extinguishing apparatus, gas and electric fixtures, elevators, escalators, partitions, and shrubbery and plants, all of which property mentioned in this paragraph shall be deemed part of the realty and not severable wholly or in part without material injury to the freehold; and

1.3 Contracts, Entitlements and Permits. All rights of Grantor in construction and architectural contracts, plans, specifications and warranties arising out of improvements on the Property now or hereafter entered into; all permits, licenses, franchises, certificates, approvals, entitlements and other rights, privileges and authorizations obtained that relate in any way to the ownership, use, occupancy or development of the Property or any part thereof, now or hereafter existing; and all names under which the Property may at any time be operated or known.

1.4 Leases and Rents. All leases, subleases, lettings and licenses of, and all other contracts and agreements affecting the Property, or any part thereof, now or hereafter entered into, and all amendments, modifications, additions, extensions and renewals thereof (collectively, the "Leases"), and all right, title and interest of Grantor thereunder, including cash deposited thereunder (as down payments, security deposits or otherwise), any rights of first refusal with respect thereto, the right to receive and collect the rents, security deposits, income, proceeds, earnings, royalties, revenues, issues and profits payable thereunder and the right to enforce, whether at law or in equity or by any other means, all provisions thereof (collectively, the "Rents"), and the right to apply the same to the payment and performance of the obligations secured hereby;

1.5 Claims, Awards and Insurance Proceeds. All unearned premiums accruing under all insurance policies pertaining to the Property; all claims and all proceeds of claims under any hazard, title or other insurance in respect of the Property; and all claims and all judgments, damages, awards, settlements and compensation therefor for any injury to or decrease in the value of the Property occurring in any way, or resulting from the taking by eminent domain, condemnation or otherwise of all or any part thereof by any governmental or other lawful authority;

TO HAVE AND TO HOLD said Property, together with all and singular the lands, tenements, privileges, water, water rights, water stock, mineral, oil and gas rights, hereditaments and appurtenances thereto belonging or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, royalties, issues and profits thereof, and all the estate, right, title, claim and demands whatsoever of the Grantor, either in law or in equity, of, in and to the Property, forever, as security for the faithful performance of the promissory note secured hereby and as security for the faithful performance of each and all of the covenants, agreements, terms and conditions of this Deed of Trust.

## ARTICLE II SECURITY AGREEMENT; FIXTURE FILING

2.1 Grant of Security Interest. Grantor hereby grants to Beneficiary a security interest (a) in and to every portion of the Property which is of the type to which Article 9 of the Uniform Commercial Code as adopted in the State of Washington applies, (b) in and to any portion of the Property which, under any applicable law, is not real property or effectively made part of the real property described in this Deed of Trust, and (c) in and to all of Grantor's present and future "goods," "inventory," "equipment" and "general intangibles" (as defined in the Uniform Commercial Code of the State of Washington), to the extent that such goods, inventory, equipment or general intangibles are located on, used in connection with the Property, or arise from the development or use of the Property, that may be hereafter acquired by Grantor, including all additions, accessions, replacements, substitutions, proceeds and products of such property. Beneficiary shall have, in addition to all rights and

remedies provided herein and in the loan documents, all of the rights and remedies of a "secured party" under said Uniform Commercial Code. This Deed of Trust constitutes and shall be deemed to be a "security agreement" for all purposes of said Uniform Commercial Code;

2.2 Fixture Filing. This Deed of Trust constitutes a financing statement filed as a fixture filing in the official records of the county in which the Land is located, with respect to any and all fixtures included within the term Property as used herein, and with respect to any goods or other property that may now be or hereafter become such fixtures.

### ARTICLE III ABSOLUTE ASSIGNMENT OF LEASES AND RENTS

3.1 Assignment. Grantor hereby absolutely and irrevocably assigns, transfers and sets over to Beneficiary all of its right, title and interest in and to the Leases and the Rents payable thereunder. The absolute assignment of said Leases and Rents is intended to be and is an absolute present assignment from Grantor to Beneficiary and not merely the passing of a security interest. Beneficiary grants to Grantor the right and license to exercise all rights, options and privileges extended to the lessor by the specific terms of the Leases, including the right to collect all Rents, so long as there shall exist no event of default hereunder, provided however, that nothing contained herein shall be deemed to require Beneficiary to perform any obligation of Grantor as lessor or landlord under said leases.

3.2 Default. Upon the occurrence of an event of default hereunder, the right and license set forth in paragraph 3.1 above may be revoked by Beneficiary, and thereafter Beneficiary shall have the right and authority to exercise any of the rights or remedies referred to or set forth in Article VII. In addition, upon such an event of default, Grantor shall promptly pay to Beneficiary (a) all rent prepayments and security or other deposits paid to Grantor pursuant to any lease assigned to Beneficiary and (b) all collections for services or facilities or for operational expenses which were paid pursuant to any such lease to the extent allocable to any period from and after such event of default.

### ARTICLE IV OBLIGATIONS SECURED

This Deed of Trust is made for the purpose of securing the performance of each agreement, obligation and liability of Grantor herein and payment of the indebtedness evidenced by one promissory note of even date herewith, payable to Beneficiary or order, in the original principal sum of EIGHT HUNDRED FIFTY THOUSAND AND NO/100 U.S. DOLLARS (\$850,000.00), and all interest thereon and other amounts evidenced thereby (herein referred to as the "Note"); all other amounts payable by Grantor to Beneficiary, its successors and assigns, under said Note or pursuant to the terms of this Deed of Trust or any other instruments and agreements executed in connection with or to secure said Note; the debts evidenced by all future advances and all renewals, extensions, modifications, substitutions and consolidations of said Note; and any and all other indebtedness or obligations of Grantor to Beneficiary, its successors and assigns, now existing and hereafter arising and which specifically indicate in the instruments which evidence the same that they are intended to be so secured.

ARTICLE V  
REPRESENTATIONS AND WARRANTIES OF GRANTOR

5.1 Grantor's Warranties of Title. Grantor warrants to Beneficiary that it is and will continue to be the sole holder of fee simple absolute title to all of the Property and that said title is marketable and free from any lien or encumbrance except for the liens imposed by law for non-delinquent real property taxes and assessments, and such other exceptions as may be approved in writing by Beneficiary. Grantor further warrants, represents and agrees that it has good right and authority to make this Deed of Trust and that it will forever warrant and defend Beneficiary's interest in the Property against every person, whomsoever, lawfully claiming or to claim the same or any part thereof.

5.2 Not Agricultural Property. Grantor represents and warrants that the Property which is the subject of this Deed of Trust is not used principally or primarily for agricultural purposes.

5.3 Commercial Loan. Grantor represents and warrants to Beneficiary that the debts secured hereby are entirely commercial in nature.

ARTICLE VI  
COVENANTS OF GRANTOR

6.1 Grantor's Covenant of Performance. Grantor shall pay all debts and monies secured hereby, when from any cause the same shall become due, without setoff or deduction of any kind, and shall promptly perform each and every agreement and obligation of Grantor under the Note and Deed of Trust.

6.2 Additional Documents. Grantor shall execute, acknowledge and deliver to Beneficiary such additional documents or instruments, in form and substance reasonably satisfactory to Beneficiary, which in the reasonable opinion of Beneficiary are necessary to evidence, perfect, preserve, extend or maintain the security interest under, and the priority of, the liens granted on the Property pursuant to this Deed of Trust.

6.3 Defense of Title in Litigation. Grantor shall protect, preserve and defend the Property and title and right of possession thereto, the lien, validity, enforceability and priority of this Deed of Trust, and the rights and powers of Beneficiary and Trustee hereunder, at Grantor's sole expense, against all adverse claims. Grantor shall give Beneficiary and Trustee prompt notice in writing of the assertion of any claim involving the filing of any action or proceeding against, or the occurrence of any damage to, the Property, and of any condemnation offer or action. Beneficiary may elect to also appear in or defend any such action or proceeding or to be made a party to such by reason of this Deed of Trust, or to elect to prosecute such action as appears necessary to preserve the value of the Property and this Deed of Trust, and Grantor will at all times indemnify from, and on demand reimburse Beneficiary and Trustee for any and all loss, damage, expense or cost including attorneys' fees, arising out of or incurred in connection with any such suit, action or proceeding, and the sum of such an expenditure shall be secured by this Deed of Trust with interest as provided in the Note secured by hereby and shall be due and payable on demand.

6.4 Maintenance and Repair. Grantor shall maintain the buildings and other improvements now or hereafter located on the Land in a first class, rentable condition and state of repair, and shall neither commit nor suffer any waste to the Property.

6.5 Restoration; Replacement of Equipment. Grantor shall complete or restore promptly and in good workmanlike manner any building or improvement which may be constructed on the Land,

or which may thereafter be damaged or destroyed, and pay when due all costs incurred therefor. No building or other improvement on the Land shall be structurally altered, removed or demolished without the Beneficiary's prior written consent, nor shall any fixture or chattel covered by this Deed of Trust and adapted to the proper use and enjoyment of the premises be removed at any time without like consent unless actually replaced by an article of equal suitability, owned by the Grantor, free and clear of any lien or security interest except such as may be approved in writing by the Beneficiary.

6.6 Compliance with Laws. Grantor shall promptly comply with all requirements of the federal, state and municipal authorities and all other laws, ordinances, regulations, covenants, conditions and restrictions respecting the Property or the use thereof, and shall pay all fees or charges of any kind in connection therewith.

6.7 Zoning; Title Matters. Grantor will not, without the consent of Beneficiary, (i) initiate or support any zoning reclassification of the Land or the improvements thereon, seek any variance under existing zoning ordinances applicable to the Land or the improvements thereon, or use or permit the use of the Land in a manner which would result in such use becoming a nonconforming use under applicable zoning ordinances, (ii) modify, amend or supplement any existing encumbrances on the Property, (iii) impose any restrictive covenants or encumbrances upon the Property, execute or file any subdivision or parcel map affecting the Land or the improvements thereon, or consent to the annexation of the Land or the improvements to any municipality, or (iv) permit or suffer the Property to be used by the public or any person in such manner as might make possible a claim of adverse usage or possession or of any implied dedication or easement.

6.8 Leasing. Grantor shall not execute, enter into or materially amend or extend any Lease of the Property or any portion thereof or any interest therein or permit or consent to any assignment or sublease by any tenant or release any tenant from its lease obligations without the advance written consent of Beneficiary as to the form and substance thereof and the acceptability of the tenant, which consent shall not be unreasonably withheld. Grantor shall fully comply with all of the terms, conditions and provisions of all Leases so that the same shall not become in default. Grantor shall on demand execute such further assignments to Beneficiary of all leases and rents entered into or arising hereafter as Beneficiary may reasonably require.

6.9 Inspection. Grantor shall permit Beneficiary or its agents to visit and inspect the Property, including the interior of any structures, and to examine the books, the records of account and the files of the Grantor with respect to the Property, on reasonable notice and at reasonable times.

6.10 Insurance. Grantor shall obtain and at all times maintain and keep in force:

(a) Insurance against loss or damage to the improvements and fixtures on the Property, if any, by fire and such other hazards as are covered by the broadest form of extended coverage endorsement as is from time to time available (including builder's risk during construction and mud/flood insurance if the Land is within a flood zone as described in flood hazard boundary maps or flood insurance rate maps) in an amount not less than the full replacement cost of said improvements and fixtures, with a deductible satisfactory to Beneficiary;

(b) Comprehensive general liability insurance covering Grantor and Beneficiary against claims for bodily injury, death, or property damage in or on the land and improvements in amounts reasonably satisfactory to Beneficiary; and

(c) Such other insurance as is usual and customary for assets such as the Property and businesses such as are operated on the Land, and in such amounts as may be reasonably required from time to time by Beneficiary against the same or other hazards.

(d) All policies of insurance shall be issued by companies and in amounts reasonably satisfactory to Beneficiary, and shall have attached thereto a lender's loss payable endorsement for the benefit of Beneficiary in a form reasonably satisfactory to Beneficiary, or shall name Beneficiary as an additional insured, as the case may be. Grantor shall furnish Beneficiary with an original policy or certified copy thereof or an original certificate therefor of all policies of required insurance. All policies of insurance shall contain a provision that such policies may not be cancelled or amended without at least 30 days prior written notice to Beneficiary, and Grantor shall furnish Beneficiary with evidence satisfactory to Beneficiary of the payment of premiums and reissuance of such insurance policies at least 30 days prior to the expiration of each such policy. In the event of any loss, Grantor shall give prompt written notice thereof to the insurance carrier and Beneficiary.

6.11 Insurance, Damage and Destruction, and Condemnation Proceeds. All awards of damages and all other compensation payable directly or indirectly by reason of a condemnation or proposed condemnation for public or private use affecting all or any part of, or any interest in, the Property, all other claims, awards, and judgments for damages to, or decrease in value of, all or any part of, or any interest in, the Property, and all proceeds of any insurance policies payable by reason of loss sustained to all or which may accrue on any of the foregoing, are all absolutely and irrevocably assigned to and shall be paid to Beneficiary. Beneficiary may (a) apply all or any of such proceeds to its expenses in settling, prosecuting or defending the claim and subject to the provisions of this section, may apply the balance in payment of the obligation secured hereby in any order it determines, regardless of whether its security is impaired and regardless of Grantor's obligation to complete and restore the Property pursuant to this Deed of Trust, and/or release all or any part of said proceeds to Grantor upon any conditions Beneficiary may impose and (b) commence, appear in, defend, or prosecute any assigned claim or action and may adjust, compromise, settle, and collect all claims and awards assigned to it, but shall not be responsible for any failure to collect any claim or award, regardless of the cause of the failure. Notwithstanding the foregoing, if Grantor elects to rebuild, replace, repair, or restore the Property, Beneficiary shall permit proceeds in excess of its expenses, whether or not held by it, to be used for rebuilding, replacement, repair or restoration of the Property. However, where the damage to be restored is in excess of \$25,000, Beneficiary may condition its permission upon Grantor providing reasonable evidence that it has all funds which Beneficiary determines are reasonably necessary to pay all costs of rebuilding, replacement, repair, or restoration (including without limit, taxes, financing charges, insurance, and rent during the repair period), and upon establishment of an arrangement for disbursement of funds and lien releases acceptable to Beneficiary.

6.12 Liens and Liabilities. Except as otherwise set forth herein, Grantor will not, without Beneficiary's prior consent, create, place or permit to be created or placed, or through any act or failure to act, acquiesce in the placing of, or allow to remain, any deed of trust, mortgage, voluntary or involuntary lien, whether statutory or contractual (except for taxes which are not yet due and payable), security interest, encumbrance or charge, or conditional sales contract or other title retention document, against or covering the Property, prior to, on a parity with, or subordinate to the lien of this Deed of Trust. If any of the foregoing becomes attached to the Property without such consent, Grantor will promptly cause the same to be discharged and released.

6.13 Taxes and Other Charges. Grantor will promptly pay when due and before any penalty, interest or cost for non-payment thereof may be added thereto, all taxes, assessments, water and sewer rents, rates, charges and assessments, levies, permits, inspection and license fees, and other governmental and quasi-governmental charges, general and special, ordinary and extraordinary, foreseen and unforeseen, heretofore or hereafter assessed, levied or otherwise imposed against or upon, or which may become a lien upon, the Property, the revenues, rents, issues, income and profits of the Property or arise in respect of the occupancy, use or possession thereof (collectively, "Taxes").

Grantor will also pay any penalty, interest or cost for non-payment of Taxes which may become due and payable, and such penalties, interest or costs shall be included within the term "Taxes".

6.14 Hazardous Materials. Grantor shall permit no hazardous or dangerous objects, materials or products to be located upon or generated, stored, transported to or from, disposed of or used in any portion of the Property, except in accordance with all applicable laws, nor shall Grantor permit any hazardous or dangerous use be made of the Property, and Grantor shall keep the Property in a safe condition in full compliance with all safety, health and environmental statutes, ordinances and regulations. As used herein, hazardous materials includes without limitation, any substance, material or waste which is regulated or classified as a hazardous substance, hazardous material, toxic substance, or solid waste under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, the Resource Conservation and Recovery Act of 1976, the Hazardous Materials Transportation Act, the regulations pertaining to such statutes, or any other statutes, laws and ordinances of the United States or of any state, county or municipality in which the Property is located. If the same or any other substance which hereafter becomes similarly regulated or classified do so exist, or hereafter exist on the Property, Grantor covenants, if required by law, to cause the same to be collected, stored, treated, and removed and the Property restored to the extent required by all then applicable federal, state and local regulations and to immediately pay all of the costs thereof. Grantor shall give Beneficiary prompt written notice of (a) any proceeding or inquiry by any governmental authority with respect to the presence of any hazardous material on the Property or the emission or migration thereof from or to any other property; (b) all claims made or threatened by any other party against the Grantor or the Property relating to any alleged loss or injury resulting from any hazardous substance, or (c) Grantor's discovery of the occurrence of any condition on the Property or any property adjoining or in the vicinity of the Property that could cause the Property to be subject to any federal, state or local statute, ordinance or regulation with respect to the proper disposal or cleanup of such materials. Beneficiary shall have the right to join and participate in, as a party if it so elects, any legal or administrative proceedings or actions initiated with respect to the Property in connection with any laws which relate to the Grantor's covenants in this subsection.

6.15 Hazardous Materials Indemnity. Grantor agrees to defend, indemnify and hold Beneficiary, its directors, officers, agents, employees, participants and assigns harmless against any and all costs, actual and foreseeable consequential damages, and losses arising from or related to the breach of any warranty or covenant contained in subsection 6.14 above, and all costs of (a) any required alterations, reconstruction, repairs, cleanup or detoxification of the Property, (b) the preparation and implementation of any closure, remedial or other required plans, whether or not the hazardous materials were known to Grantor and whether prior to or following the foreclosure of or trustee's sale under this Deed of Trust or other security for the Note, and (c) any lien imposed against the Property or any portion thereof to secure the payment of any costs relating to the removal of hazardous wastes and/or any resulting restoration of the Property except that Grantor's indemnification and hold harmless agreement in this subsection 6.15 shall not include any claims, damages, costs or expenses arising from or connected in any way with any condition which existed on the date of this Deed of Trust, or include any damages, losses, costs or expenses arising out of matters which Beneficiary warranted or indemnified Grantor against in Beneficiary's sale of the Property to Grantor.

The creation or filing of any lien against the Property or any portion thereof as a result of the presence on the Property of any hazardous materials (except such hazardous materials which were present on the Property on the date of this Deed of Trust), any misrepresentation of Grantor herein or the failure of Grantor to make any payment or promptly or continuously pursue any action referred to in this paragraph shall constitute a default under this Deed of Trust.

6.16 Transfers. Grantor acknowledges that Beneficiary has relied upon Grantor's financial

statements, credit history, business and real property managerial expertise and other factors personal to Grantor in making this loan, and Grantor covenants not to sell, convey, assign, encumber, master lease, or otherwise transfer the Property, any party thereof, or any of Grantor's interest in the Property (a "Transfer"), without first receiving Beneficiary's express written consent in each instance. A breach of this covenant shall constitute a default under the Note and this Deed of Trust. In the event of Transfer, whether voluntary or involuntary, without Beneficiary's prior written consent, the outstanding balance of the Note and all other sums then due to Beneficiary by Grantor hereunder may, at Beneficiary's option, be declared immediately due and payable. In each instance in which a Transfer occurs and regardless of whether Beneficiary's consent thereto is required, given, waived or denied, or whether Beneficiary elects to accelerate the Note, Grantor and its successors shall be jointly and severally liable to Beneficiary for a transfer fee equal to one percent (1%) of the outstanding principal balance of the Note as of the date of such transfer. Said fee shall be payable on demand, shall bear interest from ten (10) days after such demand to and including the date of collection at the Default Rate provided for in the Note, and shall be secured by this Deed of Trust.

**ARTICLE VII**  
**DEFAULTS AND REMEDIES**

7.1 **Events of Default.** Grantor shall be in default after any of the following Events of Default occur:

(a) Default by Grantor in the payment of any indebtedness secured hereby or in the performance of any covenant or the observance of any condition contained herein, in the Note or other related loan document precisely when obligated to do so; or

(b) The breach of any warranty or any material inaccuracy of any representation of Grantor contained herein or in the Note or any related loan document; or should any representation, document, statement or certificate furnished to Beneficiary by Grantor in connection with the Note or Deed of Trust contain any untrue or misleading statement of a material fact or fail to state any material fact necessary to make the statement of facts contained therein not misleading; or

(c) Any default or failure to perform any obligation which is secured by any lien against or interest in the Property, rights or interests encumbered hereby or any portion thereof, regardless of whether such lien or interest is senior to or junior to the lien of this Deed of Trust, and which default or failure to perform is not cured within any applicable grace period; or

(d) Any failure of Grantor to pay when due any taxes, municipal or special assessment, insurance premium, or any lien or charge upon the Property as required herein; or

(e) Any of the following shall occur, with respect to the Property, the Grantor or any of the individuals comprising Grantor:

- (i) The appointment of a receiver, liquidator or trustee;
- (ii) The filing of any voluntary or involuntary petition for bankruptcy or reorganization;
- (iii) If any such person be unable, or admits in writing an inability, to pay its debts when due;
- (iv) The insolvency or assignment for the benefit of creditors by any such person;



(v) The imposition of a lien through legal proceedings or distraint upon any of the Property which is not contested or paid in the manner permitted by this Deed of Trust;

(f) Any assignment, Transfer, conveyance, lease or encumbrance of all or any part of the Property without the express written consent of Beneficiary being first given to Grantor therefor in each instance, regardless of the priority of such lien or encumbrance with respect to the lien of this Deed of Trust.

(g) Any default by Grantor under any Lease or the termination, modification or cancellation of any Lease by Grantor without Beneficiary's prior written consent.

(h) Any other matter specified in this Deed of Trust as constituting a default hereof.

7.2 Rights and Remedies. Upon occurrence of any event of default under this Deed of Trust and at any time thereafter, Trustee or Beneficiary may exercise any one or more of the following rights and remedies:

(a) Beneficiary may exercise any right or remedy provided for in the Note or any other document executed in connection with or to secure the Note.

(b) Beneficiary may declare the Note and all other sums secured by this Deed of Trust immediately due and payable.

(c) Upon written request of Beneficiary, Trustee shall sell the Property, in accordance with the Deed of Trust Act of the State of Washington (RCW Chapter 61.24 as existing now, or hereafter amended) and the Uniform Commercial Code of the State of Washington where applicable, at public auction to the highest bidder for cash at such time and at such place as are statutorily prescribed. 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 sale, including a reasonable Trustee's fee and attorneys' fees; (2) to the obligation secured by this Deed of Trust; (3) the surplus, if any, shall be distributed in accordance with said Deed of Trust Act. 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 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 purchasers and encumbrancers for value.

(d) Beneficiary shall have the right to judicially foreclose this Deed of Trust as a mortgage. If this Deed of Trust is foreclosed by judicial procedure, Beneficiary will be entitled to a judgment which will provide that if the foreclosure sale proceeds are insufficient to satisfy the judgment, execution may issue for any amount by which the unpaid balance of the obligation secured by this Deed of Trust exceeds the net sale proceeds available to Beneficiary.

(e) In case of a sale under this Deed of Trust, the Property, real, personal and mixed, may be sold in one parcel. Neither Trustee nor Beneficiary shall be required to marshal Grantor's assets.

(f) With respect to all or any part of the Property that is personal or intangible, Beneficiary shall have all the rights and remedies of a secured party under the Uniform Commercial

Code as adopted in the State of Washington. Upon request, Grantor shall assemble and make such collateral available to Beneficiary at a place to be designated by Beneficiary which is reasonably convenient to both parties. Upon repossession, Beneficiary may propose to retain the collateral in partial satisfaction of the Note or sell the collateral at public or private sale in accordance with the Uniform Commercial Code or any other applicable statute. Such sale may be held as a part of, distinctive from or without a trustee's sale or foreclosure of the real property secured by this Deed of Trust.

(g) Should Grantor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Grantor and without releasing Grantor from any obligation hereof, may (1) 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 the Property for such purposes; (2) commence, appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee, (3) pay, purchase, contest or compromise any encumbrance, charge, lien, tax or assessment, or the premium for any policy of insurance required herein; and in exercising any such power, incur any liability, expend whatever amounts in its absolute discretion it may deem necessary therefor, including cost of evidence of title, employ counsel and pay his reasonable fees. Beneficiary shall be subrogated to the rights and lien interests of any person who is paid by Beneficiary pursuant to the terms of this paragraph. Grantor shall repay immediately on written notice to Grantor all sums expended or advanced hereunder by or on behalf of Beneficiary, with interest from the date of such advance or expenditure at the Default Rate provided for in the Note, and the repayment thereof shall be secured hereby. Failure to repay such expenditure or advance and interest thereon within ten (10) days of the mailing of such notice in the manner provided herein will, at Beneficiary's option, constitute an event of default hereunder; or, Beneficiary may, at its option, commence an action against Grantor for the recovery of such expenditure or advance and interest thereon and in such event Grantor agrees to pay, in addition to the amount of such expenditure or advance, all costs and expenses incurred in such action, together with a reasonable attorneys' fee.

(h) Beneficiary may at its option and in person or by agent, employee or court-appointed receiver, enter upon and take possession of the Property and continue any improvement, repair or renovation thereof at Grantor's expense and lease the same or any part thereof, making such alterations as it finds necessary, and may terminate in any lawful manner any lease of the Property, exercising with respect thereto any right or option available to the Grantor. The entering upon and taking possession of said Property, the collection of such rents, issues and profits, or the proceeds of fire and other insurance policies or compensation or awards for any taking or damage of the Property, and the application or release thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

(i) Beneficiary may require any tenant or other user to make payments of rent or use fees directly to Beneficiary regardless of whether Beneficiary has taken possession of the Property. If any rents are collected by Beneficiary, then Grantor irrevocably designates Beneficiary as Grantor's attorney-in-fact to endorse instruments received in payment thereof in Grantor's name and to negotiate the same and collect the proceeds. Payments by tenants or other users to Beneficiary in response to Beneficiary's demand shall satisfy the obligation for which the payments are made, whether or not any proper grounds for the demand existed. Beneficiary may exercise its rights under this paragraph either in person, by agent or through a receiver. Beneficiary is hereby vested with power to use all measures, legal and equitable, necessary or proper to collect the rents assigned in this Deed of Trust, including the right, in person or by agent, employee and court-appointed receiver, to enter upon the Property, or any part thereof, and take possession thereof forthwith to the extent necessary to affect the cure of any default on the part of the Grantor as lessor in any leases or upon Grantor's default under the Note. Grantor hereby grants to Beneficiary full power and authority to

exercise all rights, privileges and powers herein granted at any and all times hereafter, without additional notice to Grantor, including the right to operate or manage the Property, make and amend leases, and perform any other acts which are reasonably necessary to protect the value, priority or enforceability of any security for the Note and use and apply all of the rents and other income herein assigned to the payment of the costs of exercising such remedies, of managing and operating the Property, and of any indebtedness or liability of Grantor to Beneficiary.

(j) Beneficiary shall have the right to enforce Grantor's rights under all architect contracts and construction contracts pertaining to the Property and to bring an action for the breach thereof in the name of Beneficiary or, at Beneficiary's option, in the name of Grantor, in the event any architect or contractor breaches their respective contracts, regardless of whether Beneficiary has acquired or retained any interest in the Property. Grantor hereby irrevocably appoints Beneficiary as its attorney-in-fact for the purpose of the foregoing, which power shall be durable and coupled with an interest. Beneficiary does not assume and shall not be obligated to perform any of Grantor's obligations under said contracts nor shall Beneficiary be required to enforce such contracts or bring action for the breach thereof; provided, however, any performance of the respective contracts specifically required in writing by the Beneficiary, following any default by Grantor under the Note or the contracts, and which is properly and timely undertaken by the contractor or architect, shall be paid for by the Beneficiary in accordance with the terms and conditions of the contracts. Such payments shall be deemed additions to the Note principal and shall bear interest at the rate provided in the Note from the date of advance to and including the date of full payment, and shall be secured as a part of the Note principal and interest by this Deed of Trust and any other documents granted to secure the Note.

(k) Beneficiary shall be entitled (without notice and without regard to the adequacy of any security for said debt) to the appointment of a receiver of the rents and profits of the Property and such receiver shall have, in addition to all the rights and powers customarily given to and exercised by such receiver, all the rights and powers granted to the Beneficiary by the covenants contained in subparagraphs (h), (i) and (j) above.

(l) Beneficiary may specifically enforce any covenant in this Deed of Trust or the Grantor's compliance with its warranties herein and may restrain and enjoin the breach or prospective breach of any such covenant or the non-compliance with any condition.

(m) Beneficiary shall have such other rights and remedies as are available under any statute or at law or in equity generally, and the delineation of certain remedies in this Deed of Trust shall not be deemed in limitation thereof.

7.3 Rights Cumulative; Non-Waiver. All Beneficiary's rights and remedies herein specified are intended to be cumulative, not in substitution for any right or remedy otherwise available, and may be exercised concurrently, independently or successively. No requirement whatsoever may be waived at any time except by writing signed by the Beneficiary, and no waiver of any default or failure or delay to exercise any right or remedy by Beneficiary shall operate as a waiver of any other default or of the same default in the future or a preclusion of any right or remedy with respect to the same or any other occurrence.

7.4 Indemnification. Grantor agrees to indemnify and hold harmless Trustee and Beneficiary from and against any and all losses, liabilities, suits, obligations, fines, damages, judgments, penalties, claims, charges, costs and expenses (including attorneys' fees and disbursements) which may be imposed on, incurred or paid by or asserted against Trustee and/or Beneficiary by reason of or on account of, or in connection with:

- (a) Any willful misconduct of Grantor or any default by Grantor hereunder or under the other documents relating to or securing the Note;
- (b) Trustee's and/or Beneficiary's proper exercise of any of their rights and remedies for the performance of any of their duties hereunder or under the documents to which Grantor is a party;
- (c) The construction, reconstruction or alteration of the Property;
- (d) Any negligence of Grantor, or any negligence or willful misconduct of any lessee of the Property, or any of their respective agents, contractors, subcontractors, servants, employees, licensees or invitees; or
- (e) Any accident, injury, death or damage to any person or property occurring in, on or about the Property or any street, drive, sidewalk, curb or passageway adjacent thereto, except for the willful misconduct or negligence of the indemnified person; or
- (f) Any failure of Grantor to file any tax reports or returns referred to in this Deed of Trust. Any amount payable to Trustee or Beneficiary under this paragraph shall be due and payable within ten (10) days after demand therefor and receipt by Grantor of a statement from Trustee or Beneficiary setting forth in reasonable detail the amount claimed and the basis therefor, and such amounts shall bear interest at the default rate (as defined in the Note) from and after the date such amounts are incurred by Beneficiary or Trustee until paid in full by Grantor.

7.5 Costs and Attorneys' Fees. Grantor agrees to reimburse Beneficiary for all costs, expenses, and reasonable attorneys' fees that Beneficiary incurs in connection with the realization or enforcement of any obligation or remedy contained in the Note or other related documents, including this Deed of Trust, with or without litigation, including without limitation the costs, expenses and fees incurred:

- (a) In any foreclosure, trustee's sale or deed in lieu of foreclosure;
- (b) On appeal;
- (c) In any arbitration or mediation;
- (d) In any action contesting or seeking to restrain, enjoin, stay, or postpone the exercise of any remedy in which Beneficiary prevails;
- (e) In any bankruptcy, probate, receivership, deficiency judgment proceeding or any other proceeding involving the Property or Grantor; and
- (f) In connection with all negotiations, documentation, and other actions relating to any work-out, compromise, settlement or satisfaction of the debt secured hereby or settlement of any debts secured by this Deed of Trust, Note or related documents. All such costs, expenses, and fees shall be due and payable upon demand, shall bear interest from the date incurred through the date of collection at the default rate (as defined in the Note), and shall be secured by this Deed of Trust.

**ARTICLE VIII**  
**GENERAL PROVISIONS**

8.1 **Trustee's Acceptance.** Trustee accepts this Trust when this Deed, duly executed and acknowledged, is made a public record as provided by law.

8.2 **Substitute Trustee.** Beneficiary may, from time to time, as provided by statute, appoint another Trustee in place and stead of Trustee herein named, and thereupon, the Trustee herein named shall be discharged and the Trustee so appointed shall be substituted as Trustee hereunder with the same effect as if originally named Trustee herein.

8.3 **Reconveyance.** Upon written request of Beneficiary, stating that all sums secured hereby have been paid, and upon surrender of this Deed and said Note 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 any reconveyance executed under this Deed of Trust 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."

8.4 **Successors.** This Deed of Trust applies to, inures to the benefit of, and is binding on not only the parties hereto, but also on their heirs, devisees, legatees, administrators, executors, successors and assigns. The term "Beneficiary" shall mean the holder and owner, including pledgees, of the Note secured hereby, whether or not named as Beneficiary herein, and any assignees of this Deed of Trust.

8.5 **Joint and Several Liability.** If Grantor is comprised of one or more person or entity, then the term "Grantor" shall refer to all such persons or entities collectively and to each such person or entity individually, such that all obligations, covenants, warranties, requirements, restrictions, and other provisions of this Deed of Trust shall apply both collectively and individually, and each of such persons or entities shall be jointly and severally liable for the indebtedness secured by this Deed of Trust, for the performance of Grantor's obligations under the Note and Deed of Trust and for any default on the part of any one or more of the persons or entities comprising Grantor. If Grantor includes any married person, then that married person's separate and community property interest in the Property and the community property interest of his or her spouse in the Property are encumbered by this Deed of Trust. Without affecting the liability of any other person for the payment of any obligation herein mentioned (including Grantor should they convey said Property) and without affecting the lien or priority hereof upon any Property not released, Beneficiary may, without notice, release any person so liable, extend the maturity or modify the terms of any such obligation, grant other indulgences, make future or other advances to Grantor or any one or more parties comprising Grantor, assign or in any manner transfer this Deed of Trust, release or reconvey or cause to be released or reconveyed at any time all or part of the said Property described herein, take or release any other security or make compositions or other arrangements with debtors. Beneficiary may also accept additional security, either concurrently herewith or thereafter, and sell same or otherwise realize thereon, either before, concurrently with, or after sale hereunder.

8.6 **Rate of Interest.** It is the specific intent of the Grantor and Beneficiary that the Note which is secured hereby bear a lawful rate of interest, and if any court of competent jurisdiction should determine that the rate provided for therein exceeds that which is statutorily permitted for the type of transaction evidenced hereby, the interest rate shall be reduced to the highest rate permitted by applicable law, with any excess interest theretofore collected being applied against principal or, if such principal has been fully repaid, returned to Grantor on demand.

8.7 **Partial Invalidity; Governing Law.** If any of the provisions hereof shall be determined

to be invalid or unenforceable, such invalidity or unenforceability shall not affect any other provisions of this agreement, but it shall be construed as if not containing the particular provision or provisions held to be invalid, or unenforceable, and all rights and obligations of the parties shall be construed and enforced accordingly. This Deed of Trust will be enforced and construed in accordance with the laws of the State of Washington.

8.8 Notices. Any notices to be given to one party by the other hereunder shall be sufficient if personally delivered or mailed, by registered or certified mail, return receipt requested, postage prepaid, to the addressee at the address stated in this Deed of Trust, or to such other address as that party has requested in writing to the other that such notices be sent. Any time period provided in the giving of any notice hereunder shall commence upon the date such notice is personally delivered or so deposited in the mail, as officially recorded on the certified mail receipt. The Grantor requests that a copy of any Notice of Default or Notice of Sale hereunder be mailed to it at its address as hereinbefore set forth.

8.9 Time of the Essence. Time is of the essence hereof in connection with all obligations of the Grantor herein and in the Note.

8.10 Modification. This Deed of Trust may be amended, modified, changed, or varied only by a written agreement signed by both Grantor and Beneficiary. This Deed of Trust contains the entire agreement of the parties with respect to the subject matter hereof, and there are no agreements which modify or amend any of the terms contained herein.

8.11 Mutual Negotiation. Beneficiary and Grantor confirm that they have mutually negotiated this Deed of Trust and that none of the terms or provisions of this Deed of Trust shall be construed against either party.

8.12 Paragraph Headings. The paragraph headings contained herein are for convenience only and in no way define, limit, extend or describe the scope or intent of this Deed of Trust or any of its provisions.

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

*[Signature Page Follows]*

IN WITNESS WHEREOF, the undersigned have executed this Deed of Trust on the day first set forth above.

GRANTOR:

*S Largent*  
SAM LARGENT/

STATE OF WASHINGTON )  
COUNTY OF Skagit ) ss.

I certify that I know or have satisfactory evidence that SAM LARGENT is the person who appeared before me, and said person acknowledged that he signed this instrument and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in the instrument.

DATED: 5/31/24



*Scottia Bentley*  
Scottia J Bentley  
(Print Name)

NOTARY PUBLIC in and for the  
State of Washington, residing  
at Concrete

My appointment expires 05/10/27

**EXHIBIT A****Legal Description of Property**

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

Beginning at a point on the South line of said Section 7 that is 1,588 feet East of the Southwest corner of said Section 7;  
thence North 132.5 feet along the Westerly line of that certain tract described in deed to Louis A. Wright et ux, dated October 16, 1922 and recorded under Auditor's File No. 159898, records of Skagit County, Washington, to the Northwest corner thereof;  
thence continue North along the West line of that certain tract described in deed to C. Ernest Green et ux recorded under Auditor's File No. 767381, records of Skagit County, Washington, a distance of 15 feet to the Northwest corner thereof;  
thence East along the North line of the said Green Tract a distance of 12.45 feet to the true point of beginning;  
thence North along the East line of that certain tract conveyed to Mervyn Peterson by deed recorded under Auditor's File No. 8804060053, records of Skagit County, Washington, a distance of 252.50 feet, more or less, to the South line of that certain tract conveyed to Marblemount Community Club, Inc. by deed recorded under Auditor's File No. 537800, records of Skagit County, Washington;  
thence East along the South line of said tract a distance of 212.82 feet, more or less, to the Westerly line of State Highway SR20;  
thence Southerly along the Westerly line of said State Highway a distance of 261.05 feet, more or less, to the North line of the above referenced Green Tract;  
thence West along the North line of said Green Tract a distance of 149.41 feet, more or less, to the true point of beginning.

Situate in the County of Skagit, State of Washington.