

When Recorded Return To:

Salmon Bay Law Group, PLLC
150 Nickerson St., Suite 101
Seattle, WA 98109

DOCUMENT TITLE: Deed of Trust

GRANTOR: Smith, David A., an unmarried person

GRANTEE: Hanson, Leone E., an unmarried person

LEGAL DESCRIPTION: Lots 7, 8, 9, and 10, Block 130, "CITY OF ANACORTES", according to the Plat recorded in Volume 2 of Plats, Page 4, records of Skagit County, State of Washington.

ASSESSOR'S TAX
PARCEL NOS.: P55838

REFERENCE NOS. OF
DOCUMENTS RELEASED
OR ASSIGNED: n/a

DEED OF TRUST

THIS DEED OF TRUST, is made this 8th day of June, 2026, between DAVID A. SMITH, an unmarried person, GRANTOR, whose address is 848 W. Orchard Drive, Bellingham, WA 98225; Rainier Title, TRUSTEE, whose address is 2722 Colby Avenue, Suite 125, Everett, WA 98201; and LEONE E. HANSON, an unmarried person, BENEFICIARY, whose address is 2006 N. Roosevelt Street, Arlington, VA 22205.

WITNESSETH: Grantor hereby bargains, sells, and conveys to Trustee in trust, with power of sale, all of his interest in the following described real property in Bellingham, Whatcom County, Washington, with Parcel Number P55838:

**Lots 7, 8, 9, and 10, Block 130, "CITY OF ANACORTES",
according to the Plat recorded in Volume 2 of Plats, Page 4,
records of Skagit County, Washington.**

Commonly known as: 1519 9th Street, Anacortes, WA 98221.

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

This deed is for the purpose of securing, to the extent of the value of Grantor's interest in the subject real property, performance of each agreement of Grantor herein contained, and payment of the original sum of **Forty Thousand and 00/100 Dollars (\$ 40,000.00)**, plus anticipated advancements and additions to this loan to be made after the date of execution of this instrument to or for the benefit of Grantor to pay for his ongoing long-term care and/or living expenses, which will subsequently increase the original above referenced loan amount, with interest, in accordance with the terms of a promissory note dated June 8, 2026, 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 delinquent 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 by the Beneficiary, 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 or Trustee, and to pay all costs and expenses, including cost of title search and attorney's fees in a reasonable amount, in any such action or proceeding, and in any suit brought by 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 Trustee incurred in enforcing the obligation secured hereby and Trustee'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 her right to require prompt payment when due of all other sums so secured or to declare default for failure to so pay.
3. The Trustee 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 and the Beneficiary, or upon satisfaction of the obligation secured and written request for reconveyance made by the Beneficiary or the person entitled thereto.
4. Upon default by Grantor in the payment of any indebtedness secured hereby or in the performance of any agreement contained herein, 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; and (3) the surplus, if any, shall be distributed to the persons entitled thereto.
5. Trustee shall deliver to the purchaser at the sale of 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 the execution of this Deed of Trust, and such as they 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 purchaser and encumbrancers 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 an action or proceeding in which Grantor, Trustee, or Beneficiary shall be a party unless such action or proceeding is brought by the Trustee.
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 holders and owners of the note secured hereby, whether or not named as Beneficiary herein.

9. Should this property be sold, transferred, conveyed, or quitclaimed by the Grantor herein, the total balance of principal and interest in connection with the Note mentioned herein shall become due and payable in full, at the option of the Beneficiary herein.

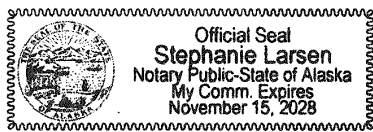
DATED this 8th day of June, 2026

Myles Milholland
DAVID A. SMITH, by MYLES MILHOLLAND, as
Agent under the Durable Financial Power of Attorney of
David Allen Smith, dated March 6, 2026

STATE OF Alaska)
JUDICIAL DISTRICT OF Ketchikan) SS
OR MUNICIPALITY OF _____)

I certify that I know or have satisfactory evidence that MYLES MILHOLLAND signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED this 8th day of June, 2026.



Stephanie Larsen
Notary Public in and for the State of Alaska
Residing at Ketchikan
My commission expires: Nov. 15th, 2028

PROMISSORY NOTE

(Payable on 30 days Notice from Demand)

Original loan amount: \$ 40,000.00

Ketchikan, Alaska

[city, county, state],
June 8, 2026

For value received, I, DAVID A. SMITH (the "Maker") promise to pay to LEONE E. HANSON (the "Holder") or order, either on written demand within 30 days or 30 days after the death of Maker, whichever is earlier, and without grace, the sum of **Forty Thousand Dollars (\$ 40,000.00)**, plus anticipated advancements and additions to this loan to be made after this date to or for the benefit of Maker to pay for his ongoing long-term care and/or living expenses, which will subsequently increase the original above referenced loan amount (collectively, the "Principal"), at the **Applicable Federal Rate (AFR) as set forth in Section 1274 of the Internal Revenue Code in effect on the date of execution of this Note**. The AFR will be determined at (i) the short-term rate if the repayment term is under three (3) years; (ii) the mid-term rate if the repayment term is between three (3) years and nine (9) years; or (iii) the long-term rate if the repayment term exceeds nine (9) years. Maker may pay this Note using the proceeds from the sale of the property secured by the Deed of Trust, which secures payment of the same only to the extent that said proceeds are attributable to Maker's interest in said property. This Note is payable at: 2006 N. Roosevelt Street, Arlington, VA 22205, or at such other place as the Holder shall direct.

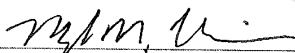
Maker shall not be subject to any prepayment penalties whatsoever.

This Note, and the Deed of Trust securing payment of the same, shall not be assignable or assumable without the Holder's written permission. Should the property subject to the Deed of Trust securing payment of this Note be sold, transferred, conveyed, or quitclaimed by the Maker herein, then in such event, the total balance of said Principal and interest shall become due and payable, in full, at the option of the Holder. Holder shall, of course, have the option of allowing, in writing, an assignment or assumption of this Note and Deed of Trust securing the same.

Said Principal and interest shall be paid in lawful money of the United States. This Promissory Note is to be construed in all respects and enforced according to the laws of the State of Washington.

In the event the balance of Principal and interest is not paid within 30 days of demand, then this Note shall bear simple interest at the AFR, above. If this Note shall be placed in the hands of an attorney for collection or if suit shall be brought to collect any of the Principal or interest of this Note, I promise to pay a reasonable attorney's fee.

The Maker of this Note executes the same as a principal and not as a surety.

 June 6, 2026
DAVID A. SMITH, by MYLES MILHOLLAND, as Agent
under the Durable Financial Power of Attorney of David Allen
Smith, dated March 6, 2026

