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AUDITOR: Pierce County, WASHINGTON

201503090032

AFTER RECORDING, RETURN TO:

KAMPBELL & JOHNSON, PLLC  
4041 Ruston Way, Suite 200  
Tacoma, WA 98402-5300

Skagit County Auditor \$79.00  
3/9/2015 Page 1 of 7 8:42AM

DEED OF TRUST

THIS DEED OF TRUST, made this 1st day of January, 2015 between G.D. & G.D., LLC, a Washington limited liability company, Grantor, whose address is 11109 66th Avenue East, Puyallup, Washington 98373, Commonwealth Title Insurance Company, a corporation, Trustee, whose address is 1120 Pacific Avenue, Tacoma, Washington 98402, and Gregory Dillard and Gerakl Zacher, beneficiaries, whose addresses are: 360 Jack Rail Lane, Ellenburg, WA (Gregory) and 290 E. North Lake Road, Shelton, WA (Gerakl).

WITNESSETH: Grantor hereby bargains, sells and conveys to Trustee in Trust, with power of sale, the following described real properties located in Pierce and Skagit Counties, Washington:

Parcel No.:

- Pierce County Parcel No. 0419068019 (full legal description attached as Parcel A)
- Pierce County Parcel No. 7560015553 (full legal description attached as Parcel B)
- Skagit County Parcel No. P53463 (full legal description attached as Parcel C)
- Skagit County Parcel No. P53465 (full legal description attached as Parcel D)
- Skagit County Parcel No. P53461 (full legal description attached as Parcel E)

PTN BL 2 McLeans 3rd Street Add  
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 way appertaining, and the 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 seven hundred thousand dollars (\$1,700,000.00) with interest, in accordance with the terms of two promissory notes of even date herewith payable to each Beneficiary or order (\$850,000 to each beneficiary), and made by Grantors, and all renewals, modifications and extensions thereof, and also such further

sums as may be advanced or loaned by Beneficiaries to Grantors, or any of their successors or assigns, together with interest thereon at such rate as shall be agreed upon.

To protect the security of this Deed of Trust, Grantors covenant and agree:

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 Beneficiaries, and be in such companies as the Beneficiaries may approve and have loss payable first to the Beneficiaries as its interest may appear and then to the Grantors. 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 a Beneficiary shall not cause discontinuance of any proceedings to foreclose this Deed of Trust. In the event of foreclosure, all rights of the Grantors 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 Beneficiaries 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 Beneficiaries 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 Grantors fail to pay when due any taxes, assessments, insurance premiums, liens, encumbrances or other charges against the property hereinabove described, Beneficiaries 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 thereof as may be necessary to fully satisfy the obligation secured hereby, shall be paid to Beneficiaries in equal shares to be applied to said obligations.

2. By accepting payment of any sum secured hereby after its due date, Beneficiaries do not waive their rights to require prompt payment when due of all other sums so secured or to declare default for failure to so pay.

3. The Trustees 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 Grantors and the Beneficiaries, or upon satisfaction of the obligation secured and written request for reconveyance made by the Beneficiaries or the person entitled thereto.

4. Upon default by Grantors 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 Beneficiaries. In such event and upon written request of Beneficiaries, Trustee or its authorized agent 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 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 deposited with the clerk of the superior court of the county in which the sale took place to be distributed in accordance with R.C.W. 61.24.080.

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 Grantors 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 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; Beneficiaries may cause this Deed of Trust to be foreclosed as a mortgage.

7. In the event of the death, incapacity or disability or resignation of Trustee, Beneficiaries shall 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

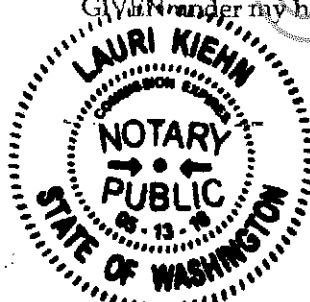


Shile Magee  
SHILE MAGEE

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF PIERCE )

On this day personally appeared before me, Shile Magee, to me known to be the individuals described in and who executed the within and foregoing instrument, and acknowledged that they signed the same as their free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 1 day of January, 2015.



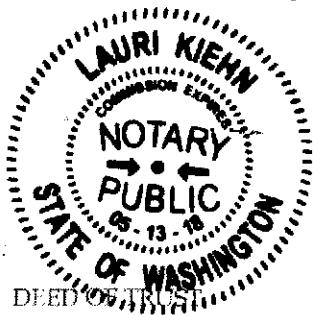
Lauri Kiehn  
NOTARY PUBLIC in and for the State of  
Washington, residing at: TALOMA  
My commission expires: 5/13/18  
Print Name: Lauri Kiehn

Carmen Westendorf  
CARMEN WESTENDORF

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF PIERCE )

On this day personally appeared before me, Carmen Westendorf, to me known to be the individuals described in and who executed the within and foregoing instrument, and acknowledged that they signed the same as their free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 1 day of January, 2015.



Lauri Kiehn  
NOTARY PUBLIC in and for the State of  
Washington, residing at: TALOMA  
My commission expires: 5/13/18  
Lauri Kiehn

**PARCEL A**

Pierce County Parcel No. 0419068019

Section 06 Township Range 04 Quarter 43 : Lot 3 Of South P 76-75 TOG/W POR of Lot 2 Of Said South P Described As Follows Beginning At Southeast Corner Of Lot 1 Of Said South P That North Along East LI Of Said South P To Southeast Corner of Lot 3 of Said South P That West Along South LI Of Lot 3 162.60 Feet More Or Less To Southwest Corner Of Said Lot 3 That South PAR/W East LI Of Said South P To South LI Of said South P That East Along Said South LI To Southeast Corner of Lot 1 of Said South P & Point of Beginning Except Southerly 100 Feet Thereof EASE Of Record SEG PER SUP CT Probate 96-4-00359-2 Out Of 8-003 & 8-017 SEG M-0376 JU 12/15/00JU

**PARCEL B**

Pierce County Parcel No. 7560015553

Section 06 Township 19 Range 04 Quarter 44 Shea & Nolan 5 Acre Tracts: Shea & Nolan 5 Acre Tracts Lot 3 of Short Plat 80-121 Except That Portion CYD to P County/Company PER ETN 4022756 TOG/W EASE OUT of 555-4 SEG M-2798 JS EMS DC5/13/04JU

**PARCEL C**

Skagit County Parcel No. P53463

That portion of Lot 4, in Block 2, "McLEAN'S THIRD STREET ADDITION TO MT. VERNON," as per plat recorded in Volume 3 of Plats, page 66, records of Skagit County, Washington, lying South of a line which is 120 feet South of and parallel with the North line of said Lot,

EXCEPT the East of 30 feet thereof.

Situate in the City of Mount Vernon, County of Skagit, State of Washington.

**PARCEL D**

Skagit County Parcel No. P53465

The South 60 feet of the North 120 feet of lot 4, EXCEPT the East of 138 feet thereof, in Block 2 of "McLEAN'S THIRD STREET ADDITION TO MT. VERNON," as per plat recorded in Volume 3 of Plats, page 66, records of Skagit County, Washington.

Situate in the City of Mount Vernon, County of Skagit, State of Washington.

DEED OF TRUST

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PARCEL E

Skagit County Parcel No. P53461

The South 60 feet of the North 120 feet of the East 138 feet of Lot 4, Block 2, "McLEAN'S THIRD STREET ADDITION TO MT. VERNON," as per plat recorded in Volume 3 of Plats, page 66, records of Skagit County, Washington.

Except the East of 30 feet thereof.

Situate in the City of Mount Vernon, County of Skagit, State of Washington.