



201608160035

Skagit County Auditor  
8/16/2016 Page\$87.00  
1 of 14 12:00PM

Recording requested by:

SERVICE LINK

Return Address:

VERISTONE FUND I, LLC  
6725 116<sup>TH</sup> AVE, NE, SUITE 210  
KRIKLAND, WA 98033

<b>Document Title(s)</b>  <b>DEED OF TRUST</b>
<b>Reference Number(s) of Documents assigned or released:</b>
<b>Grantor(s)</b> <b>R&amp;R HOMES LLC / UTOPIA INVESTMENTS LLC</b>
<b>Grantee(s)</b>  <b>Lender: VERISTONE FUND I, LLC</b>  <b>Trustee: RECONVEYANCE PROFESSIONAL INC.</b>  <b>Beneficiary: Mortgage Electronic Registration Systems, Inc. ("MERS")</b>
<b>Legal Description</b> (abbreviated: i.e. lot, block, plat or section, township, range) SEDRO LESS W 10FT OF 9 ALL OF 10 BLK 17 SKAGIT COUNTY, WA
<b>Assessor's Property Tax Parcel/Account Number</b> TAX ID: P75481
The Auditor/Recorder will rely on the information provided on the form. The staff will not read the document to verify the accuracy or completeness of the indexing information provided herein.

Record & Return To:  
Veristone Fund I, LLC  
6725 116<sup>th</sup> Ave NE, Suite 210  
Kirkland, WA 98033

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Full Legal Description: See Below  
Assessor's Tax Parcel No's:  
Trustee: Reconveyance Professionals Inc.  
Loan: 2016.0954

## DEED OF TRUST

THIS DEED OF TRUST ("Security Instrument") is made on August 9, 2016. The grantor is R & R Homes, LLC, a Washington Limited Liability Company and Utopia Investments, LLC, a Washington Limited Liability Company ("**GRANTOR**"), whose address is 14222 6th Ave SW, Burien, WA 98166. The trustee is Reconveyance Professionals Inc., whose address is 2722 Colby Ave., Suite 125, Everett, WA 98201 ("**TRUSTEE**"). The beneficiary is Veristone Fund I, LLC, a Washington Limited Liability Company ("**BENEFICIARY**"), whose address is 6725 116<sup>th</sup> Ave NE, Suite 210, Kirkland, WA 98033.

WITNESSETH: GRANTORS hereby bargain, sell, grant, transfer, convey and assign to Trustee IN TRUST WITH POWER OF SALE, the following real property in Skagit County:

Legal Description:

ALL THAT CERTAIN PARCEL OF LAND SITUATED IN THE COUNTY OF SKAGIT AND STATE OF WASHINGTON BEING KNOWN AND DESIGNATED AS FOLLOWS:  
LOT 9, EXCEPT THE WEST 10 FEET THEREOF, AND ALL OF LOT 10, BLOCK 17, "PLAT OF TOWN OF SEDRO", ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 1 OF PLATS, PAGE 17, RECORDS OF SKAGIT COUNTY, WASHINGTON.  
SITUATE IN THE CITY OF SEDRO-WOOLLEY, COUNTY OF SKAGIT, STATE OF WASHINGTON.

APN: P75481

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

UNREGISTERED

This Deed of Trust is for the purpose of securing performance of each agreement of Grantor herein contained, and payment of the principal sum of ONE HUNDRED FIFTY FIVE THOUSAND FIVE HUNDRED DOLLARS AND 00/100 (U.S. \$155,500.00) with interest, 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 their successors or assigns, together with interest thereon at such rate as shall be agreed upon.

**The full debt, if not paid earlier, is due and payable on or before April 30th, 2017. Beneficiary shall release the lien of the subject Deed of Trust in accordance with the terms and conditions of that certain Promissory Note, entered into by and between Grantor and Beneficiary, of even date herewith, which Agreement is hereby incorporated herein by this reference.**

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

1. To ensure the first lien position of the Beneficiary throughout the term of the loan. Grantor understands that the Beneficiary requires a first lien position and a strict performance of that first lien position and hereby authorizes Beneficiary, its successors and/or assigns, to protect the first lien position throughout the term of the loan at the Beneficiary's discretion and at the cost of the Grantor.
  2. 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.
  3. 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.
  4. 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 if its interests 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.
  5. To defend any action or proceeding purporting to affect the security hereof or the rights or power 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.
- INSTRUMENT

6. To pay all costs, fees and expenses in connection with this Deed of Trust, including the expenses of the Trustee in enforcing the obligation secured hereby and Trustee's and attorney's fees actually incurred, as provided by statute.
7. Should Grantor fail to pay when due any tax, 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.
8. DUE ON SALE. The property described in this security instrument may not be sold or transferred without the Beneficiary's consent. Upon breach of this provision, Beneficiary may declare all sums due under the Promissory Note and Deed of Trust immediately due and payable, unless prohibited by applicable law.
9. Grantor shall pay: all costs, fees and expenses of this Trust, including, without limiting the generality of the foregoing, the fees of Trustee for issuance of any Deed of Partial Release and Partial Reconveyance or Deed of Release and Full Reconveyance as well as Beneficiary costs, fees and expenses associated with the facilitation and tracking of works performed, or to be performed, by Trustee in an amount not to exceed \$550.00 and all lawful charges, costs and expenses in the event of reinstatement of, following default in, this Deed of Trust or the obligations secured hereby.

IT IS MUTUALLY AGREED THAT:

1. In the event any portion of the portion of the property is taken or damaged in any 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 or failure to pay.
3. Upon default by Grantor in the payment of any indebtedness or obligation secured hereby by the property 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 the 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 persons entitled thereto.
4. Trustee shall deliver to the purchaser at the sale its deed, without warranty, which shall convey to the purchaser of 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. The 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 encumbrances for value.

5. The power of sale conferred by this Deed of Trust and 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.
6. 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.
7. Lender may appoint a successor trustee by an instrument executed and acknowledged by Lender and recorded in the county in which this Deed of Trust is recorded, and upon such recordation the successor trustee shall become vested with the same powers, rights, duties, and authority of the Trustee with the same effect as if originally made Trustee hereunder.

*Signature page to follow*

**GRANTOR: R & R Homes, LLC, a Washington Limited Liability Company  
and Utopia Investments, LLC, a Washington Limited Liability Company**

**Authorized Signing Member Name:** Joanne Rocheford  
**On behalf of:** R & R Homes, LLC

**By:** [Signature]  
**Signature:** Joanne Rocheford

**Date:** 8/10/16

**Authorized Signing Member Name:** John Carey  
**On behalf of:** Utopia Investments, LLC

**By:** [Signature]  
**Signature:** John Carey

**Date:** 8-11-16

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

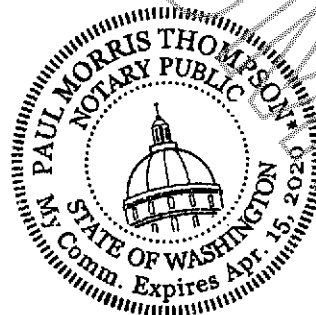
STATE OF Washington  
) ss:  
COUNTY OF King

I hereby certify that I know or have satisfactory evidence that Joanne Rocheford  
and ~~John Carey~~ <sup>Joanne Rocheford</sup> is/are the person(s) who appeared before me. Said person(s)  
acknowledged that he/she/they signed this instrument and acknowledged it to be  
his/her/their free and voluntary act for the uses and purposes mentioned in this  
instrument and, on oath, stated that he/she/they is/are authorized to execute the  
instrument on behalf of R & R Homes, LLC and Utopia Investments, LLC as the  
Managers.

GIVEN under my hand and official seal this 10<sup>th</sup> day of August, 2016

[Signature]  
Notary Public in and for the State of Washington

Paul Morris Thompson  
Print Notary Name  
Residing at: Edgewood  
My Commission Expires: 4-15-2020



## GUARANTY

THIS GUARANTY ("**Guaranty**") is made and entered into as of August 9, 2016, by Joanne Rocheford and John Carey ("**Guarantor**"), to and for the benefit of Veristone Fund I, LLC ("**Lender**").

## RECITALS

A. Lender has agreed to loan to R & R Homes, LLC And Utopia Investments, LLC ("**Borrower**") the principal sum of ONE HUNDRED FIFTY FIVE THOUSAND FIVE HUNDRED DOLLARS AND 00/100 (U.S. \$155,500.00) ("**Loan**"), which Loan is to be evidenced by, among other documents, a Promissory Note ("**Note**"), and Deed of Trust ("**Deed of Trust**") of even date herewith (the foregoing documents, together with all amendments or modifications thereto, and any other documents evidencing or securing the Loan are collectively referred to herein as the "**Loan Documents**") with respect to property described and defined therein ("**Property**").

B. Guarantor acknowledges that Guarantor is directly benefited by Lender making the Loan to Borrower and that, absent this Guaranty, Lender would not make the Loan to Borrower.

## AGREEMENTS

NOW, THEREFORE, intending to be legally bound, the Guarantor, in consideration of the matters described in the foregoing Recitals, which Recitals are incorporated herein and made a part hereof, and for other good and valuable consideration the receipt and sufficiency of which are acknowledged, hereby covenants and agrees for the benefit of Lender and its respective successors, endorsees, transferees, participants and assigns as follows:

1. The Guarantor absolutely, unconditionally and irrevocably, guarantees:

(a) the full and prompt payment of the principal of and interest on the Note when due, whether at stated maturity, upon acceleration or otherwise, and at all times thereafter, and the full and prompt payment of all sums which may now be or may hereafter become due and owing under the Note and the other Loan Documents;

(b) the prompt, full and complete performance of all of Borrower's obligations, including without limitation any payment obligations, under each and every covenant contained in the Loan Documents; and

(c) the full and prompt payment of any Enforcement Costs (as hereinafter defined in Section 7 hereof).

All amounts due, debts, liabilities and payment obligations described in subsections (a) and (b) of this Section 1 shall be hereinafter collectively referred to as the "**Indebtedness**."

2. In the event of any default by Borrower in the payment of the Indebtedness, after the expiration of any applicable cure or grace period, the Guarantor agrees on demand by Lender or the holder of the Note, to pay the Indebtedness regardless of any defense, right of set-off or claims which Borrower or the Guarantor may have against Lender or the holder of the Note.

To the extent permitted by law, all of the remedies set forth herein and/or provided for in any of the Loan Documents or at law or equity shall be equally available to Lender, and the choice by Lender of one such alternative over another shall not be subject to question or challenge by the Guarantor or any other person, nor shall any such choice be asserted as a defense, setoff, or failure to mitigate damages in any action, proceeding, or counteraction by Lender to recover or seeking any other remedy under this Guaranty, nor shall such choice

preclude Lender from subsequently electing to exercise a different remedy. The parties have agreed to the alternative remedies provided herein in part because they recognize that the choice of remedies in the event of a default hereunder will necessarily be and should properly be a matter of good faith business judgment, which the passage of time and events may or may not prove to have been the best choice to maximize recovery by Lender at the lowest cost to Borrower and/or the Guarantor. It is the intention of the parties that such good faith choice by Lender be given conclusive effect regardless of such subsequent developments.

3. The Guarantor does hereby (a) waive notice of acceptance of this Guaranty by Lender and any and all notices and demands of every kind which may be required to be given by any statute, rule or law, (b) agree to refrain from asserting, until after repayment in full of the Loan, any defense, right of set-off or other claim which such Guarantor may have against Borrower (c) waive any defense, right of set-off or other claim which such Guarantor, any other Guarantor or Borrower may have against Lender, or the holder of the Note, (d) waive any and all rights such Guarantor may have under any anti-deficiency statute or other similar protections, (e) waive presentment for payment, demand for payment, notice of nonpayment or dishonor, protest and notice of protest, diligence in collection and any and all formalities which otherwise might be legally required to charge such Guarantor with liability, and (f) waive any failure by Lender to inform such Guarantor of any facts Lender may now or hereafter know about Borrower, the Property, or the Loan, it being understood and agreed that Lender has no duty so to inform and that such Guarantor is fully responsible for being and remaining informed by Borrower of all circumstances bearing on the risk of nonperformance of Borrower's obligations. Credit may be granted or continued from time to time by Lender to Borrower without notice to or authorization from the Guarantor, regardless of the financial or other condition of Borrower at the time of any such grant or continuation. Lender shall have no obligation to disclose or discuss with the Guarantor its assessment of the financial condition of Borrower. The Guarantor acknowledges that no representations of any kind whatsoever have been made by Lender. No modification or waiver of any of the provisions of this Guaranty shall be binding upon Lender except as expressly set forth in a writing duly signed and delivered by Lender.

4. The Guarantor further agrees that such Guarantor's liability as guarantor shall not be impaired or affected by any renewals or extensions which may be made from time to time, with or without the knowledge or consent of such Guarantor of the time for payment of interest or principal under the Note or by any forbearance or delay in collecting interest or principal under the Note, or by any waiver by Lender under the Deed of Trust or any other Loan Documents, or by Lender's failure or election not to pursue any other remedies it may have against Borrower or the Guarantor, or by any change or modification in the Note, Deed of Trust, or any other Loan Document, or by the acceptance by Lender of any additional security or any increase, substitution or change therein, or by the release by Lender of any security or any withdrawal thereof or decrease therein, or by the application of payments received from any source to the payment of any obligation other than the Indebtedness even though Lender might lawfully have elected to apply such payments to any part or all of the Indebtedness, it being the intent hereof that, subject to Lender's compliance with the terms of this Guaranty, the Borrower and the Guarantor shall remain jointly and severally liable for the payment of the Indebtedness, until the Indebtedness has been paid in full, notwithstanding any act or thing which might otherwise operate as a legal or equitable discharge of a surety. The Guarantor further understands and agrees that Lender may at any time enter into agreements with Borrower to amend and modify the Note, Deed of Trust, or other Loan Documents, and may waive or release any provision or provisions of the Note, Deed of Trust and other Loan Documents or any thereof, and, with reference to such instruments, may make and enter into any such agreement or agreements as Lender and Borrower may deem proper and desirable, without in any manner impairing or affecting this Guaranty or any of Lender's rights hereunder or such Guarantor's obligations hereunder.

5. This is an absolute, present and continuing guaranty of payment and not of collection. The Guarantor agrees that this Guaranty may be enforced by Lender without the necessity at any time of resorting to or exhausting any other security or collateral given in connection herewith or with the Note, Deed of Trust, or any of the other Loan Documents through foreclosure or sale proceedings, as the case may be, under the Deed of Trust or otherwise, or resorting to any other guaranties, and the Guarantor hereby waives any right to



require Lender to join Borrower in any action brought hereunder or to commence any action against or obtain any judgment against Borrower or to pursue any other remedy or enforce any other right. The Guarantor further agrees that nothing contained herein or otherwise shall prevent Lender from pursuing concurrently or successively all rights and remedies available to it at law and/or in equity or under the Note, Deed of Trust, or any other Loan Documents, and the exercise of any of its rights or the completion of any of its remedies shall not constitute a discharge of such Guarantor's obligations hereunder, it being the purpose and intent of Guarantor that the obligations of such Guarantor hereunder shall be absolute, independent and unconditional under any and all circumstances whatsoever. None of the Guarantor's obligations under this Guaranty or any remedy for the enforcement thereof shall be impaired, modified, changed or released in any manner whatsoever by any impairment, modification, change, release or limitation of the liability of Borrower under the Note, Deed of Trust, or other Loan Documents or by reason of the bankruptcy of Borrower or by reason of any creditor or bankruptcy proceeding instituted by or against Borrower. This Guaranty shall continue to be effective or be reinstated (as the case may be) if at any time payment of all or any part of any sum payable pursuant to the Note, Deed of Trust, or any other Loan Document is rescinded or otherwise required to be returned by Lender upon the insolvency, bankruptcy, dissolution, liquidation, or reorganization of Borrower, or upon or as a result of the appointment of a receiver, intervener, custodian or conservator of or trustee or similar officer for, Borrower or any substantial part of its property, or otherwise, all as though such payment to Lender had not been made, regardless of whether Lender contested the order requiring the return of such payment. In the event of the foreclosure of the Deed of Trust and of a deficiency, the Guarantor hereby promises and agrees forthwith jointly and severally to pay the amount of such deficiency notwithstanding the fact that recovery of said deficiency against Borrower would not be allowed by applicable law; however, the foregoing shall not be deemed to require that Lender institute foreclosure proceedings or otherwise resort to or exhaust any other collateral or security prior to or concurrently with enforcing this Guaranty.

6. In the event Lender or any holder of the Note shall assign the Note to any Lender or other entity to secure a loan from such Lender or other entity to Lender or such holder for an amount not in excess of the amount which will be due, from time to time, from Borrower to Lender under the Note with interest not in excess of the rate of interest which is payable by Borrower to Lender under the Note, the Guarantor will accord full recognition thereto and agree that all rights and remedies of Lender or such holder hereunder shall be enforceable against such Guarantor by such Lender or other entity with the same force and effect and to the same extent as would have been enforceable by Lender or such holder but for such assignment; provided, however, that unless Lender shall otherwise consent in writing, Lender shall have an unimpaired right, prior and superior to that of its assignee or transferee, to enforce this Guaranty for Lender's benefit to the extent any portion of the Indebtedness or any interest therein is not assigned or transferred.

7. If: (a) this Guaranty is placed in the hands of an attorney for collection or is collected through any legal proceeding; (b) an attorney is retained to represent Lender in any bankruptcy, reorganization, receivership, or other proceedings affecting creditors' rights and involving a claim under this Guaranty; (c) an attorney is retained to provide advice or other representation with respect to this Guaranty; or (d) an attorney is retained to represent Lender in any proceedings whatsoever in connection with this Guaranty and Lender prevails in any such proceedings, then the Guarantor shall pay to Lender upon demand all reasonable attorney's fees, costs and expenses incurred in connection therewith (all of which are referred to herein as "**Enforcement Costs**"), in addition to all other amounts due hereunder, regardless of whether all or a portion of such Enforcement Costs are incurred in a single proceeding brought to enforce this Guaranty as well as the other Loan Documents.

8. The parties hereto intend and believe that each provision in this Guaranty comports with all applicable local, state and federal laws and judicial decisions. However, if any provision or provisions, or if any portion of any provision or provisions, in this Guaranty is/are found by a court of law to be in violation of any applicable local, state or federal ordinance, statute, law, administrative or judicial decision, or public policy, and if such court should declare such portion, provision or provisions of this Guaranty to be illegal, invalid, unlawful, void or unenforceable as written, then it is the intent of all parties hereto that such portion, provision or provisions shall be given force to the fullest possible extent that they are legal, valid and enforceable, that the remainder of this Guaranty shall be construed as if such illegal, invalid, unlawful, void or unenforceable

portion, provision or provisions were not contained therein, and that the rights, obligations and interest of Lender or the holder of the Note under the remainder of this Guaranty shall continue in full force and effect.

9. TO THE GREATEST EXTENT PERMITTED BY LAW, THE GUARANTOR HEREBY WAIVES ANY AND ALL RIGHTS TO REQUIRE MARSHALLING OF ASSETS BY LENDER. WITH RESPECT TO ANY SUIT, ACTION OR PROCEEDINGS RELATING TO THIS GUARANTY (EACH, A "PROCEEDING"), EACH OF LENDER AND THE GUARANTOR IRREVOCABLY (A) SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF THE STATE AND FEDERAL COURTS HAVING JURISDICTION IN THE CITY OF SEATTLE AND STATE OF WASHINGTON, AND (B) WAIVES ANY OBJECTION WHICH IT, HE OR SHE MAY HAVE AT ANY TIME TO THE LAYING OF VENUE OF ANY PROCEEDING BROUGHT IN ANY SUCH COURT, WAIVES ANY CLAIM THAT ANY PROCEEDING HAS BEEN BROUGHT IN AN INCONVENIENT FORUM AND FURTHER WAIVES THE RIGHT TO OBJECT, WITH RESPECT TO SUCH PROCEEDING, THAT SUCH COURT DOES NOT HAVE JURISDICTION OVER SUCH PARTY. NOTHING IN THIS GUARANTY SHALL PRECLUDE LENDER FROM BRINGING A PROCEEDING IN ANY OTHER JURISDICTION NOR WILL THE BRINGING OF A PROCEEDING IN ANY ONE OR MORE JURISDICTIONS PRECLUDE THE BRINGING OF A PROCEEDING IN ANY OTHER JURISDICTION. GUARANTOR FURTHER AGREES AND CONSENTS THAT, IN ADDITION TO ANY METHODS OF SERVICE OF PROCESS PROVIDED FOR UNDER APPLICABLE LAW, ALL SERVICE OF PROCESS IN ANY PROCEEDING IN ANY WASHINGTON STATE OR UNITED STATES COURT SITTING IN THE CITY OF SEATTLE AND COUNTY OF KING MAY BE MADE BY CERTIFIED OR REGISTERED MAIL, RETURN RECEIPT REQUESTED, DIRECTED TO GUARANTOR AT THE ADDRESS INDICATED BELOW, AND SERVICE SO MADE SHALL BE COMPLETE UPON RECEIPT; EXCEPT THAT IF GUARANTOR SHALL REFUSE TO ACCEPT DELIVERY, SERVICE SHALL BE DEEMED COMPLETE FIVE (5) DAYS AFTER THE SAME SHALL HAVE BEEN SO MAILED.

10. Any indebtedness of Borrower to the Guarantor now or hereafter existing is hereby subordinated to the payment of the Indebtedness. The Guarantor agrees that until the entire Indebtedness has been paid in full, such Guarantor will not seek, accept, or retain for his or her own account, any payment from Borrower on account of such subordinated debt. Any payments to the Guarantor on account of such subordinated debt shall be collected and received by such Guarantor in trust for Lender and shall be paid over to Lender on account of the Indebtedness without impairing or releasing the obligations of such Guarantor hereunder.

11. Any amounts received by Lender from any source on account of the Loan may be utilized by Lender for the payment of the Indebtedness and any other obligations of Borrower to Lender in such order as Lender may from time to time elect. Additionally, if the Indebtedness guaranteed hereby is less than the full indebtedness evidenced by the Note, all rents, proceeds and avails of the Property, including proceeds of realization of Lender's collateral, shall be deemed applied on the indebtedness of Borrower to Lender that is not guaranteed by the Guarantor until such unguaranteed Indebtedness of Borrower to Lender has been fully repaid before being applied upon the indebtedness guaranteed by the Guarantor.

12. THE GUARANTOR AND LENDER (BY ITS, HIS OR HER ACCEPTANCE HEREOF) HEREBY WAIVE ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHT UNDER THIS GUARANTY OR ANY OTHER LOAN DOCUMENT OR RELATING THERETO OR ARISING FROM THE LENDING RELATIONSHIP WHICH IS THE SUBJECT OF THIS GUARANTY AND AGREE THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY.

13. Any notice, demand, request or other communication which any party hereto may be required or may desire to give hereunder shall be in writing and shall be deemed to have been properly given (a) if hand

delivered, when delivered; (b) if mailed by United States Certified Mail (postage prepaid, return receipt requested), three (3) Business Days after mailing, (c) if by Federal Express or other reliable overnight courier service, on the next Business Day after delivered to such courier service or (d) if by telecopier on the day of transmission so long as copy is sent on the same day by overnight courier as set forth below:

Guarantor:

Joanne Rocheford  
14222 6th Ave SW  
Burien, WA 98166

John Carey  
28209 UTOPIA RD  
Sedro Woolley, WA 98284

Lender:

Veristone Fund I, LLC  
6725 116th Ave NE, Suite 210  
Kirkland, WA 98033

or at such other address as the party to be served with notice may have furnished in writing to the party seeking or desiring to serve notice as a place for the service of notice.

14. In order to induce Lender to make the Loan, the Guarantor makes the following representations and warranties to Lender set forth in this Section. The Guarantor acknowledges that but for the truth and accuracy of the matters covered by the following representations and warranties Lender would not have agreed to make the Loan.

(a) The Guarantor has its principal place of business at the address set forth here:

Business Address: 14222 6th Ave SW  
Burien, WA 98166

(b) Any and all balance sheets, net worth statements, and other financial data with respect to the Guarantor which have heretofore been given to Lender by or on behalf of such Guarantor fairly and accurately present the financial condition of such Guarantor as of the respective dates thereof.

(c) The execution, delivery, and performance by the Guarantor of this Guaranty does not and will not contravene or conflict with (i) any Laws, order, rule, regulation, writ, injunction or decree now in effect of any Government Authority, or court having jurisdiction over the Guarantor, (ii) any contractual restriction binding on or affecting the Guarantor or any of the Guarantor's property or assets which may adversely affect the Guarantor's ability to fulfill its obligations under this Guaranty, (iii) the instruments creating any trust holding title to any assets included in the Guarantor's financial statements, or (iv) the organizational and/or any other documents of the Guarantor.

(d) This Guaranty creates legal, valid, and binding obligations of the Guarantor enforceable in accordance with its terms.

(e) Except as disclosed in writing to Lender, there is no action, proceeding, or investigation pending or, to the knowledge of the Guarantor, threatened or affecting the Guarantor, which may adversely affect the Guarantor's ability to fulfill its, his or her obligations under this Guaranty. There are no judgments or orders for the payment of money rendered against the Guarantor for an amount in excess of \$10,000, in the aggregate, which have been undischarged for a period of ten (10) or more consecutive days and the enforcement of which is not stayed by reason of a pending appeal or otherwise. Guarantor is not in default under any agreements which may adversely affect the Guarantor's ability to fulfill its obligations under this Guaranty.

(f) All statements set forth in the Recitals are true and correct.

UNOFFICIAL DOCUMENT

All of the foregoing representations and warranties shall be deemed remade on the date of the disbursement of Loan proceeds. The Guarantor and Borrower hereby jointly and severally agree to indemnify and hold Lender free and harmless from and against all loss, cost, liability, damage, and expense, including attorney's fees and costs, which Lender may sustain by reason of the inaccuracy or breach of any of the foregoing representations and warranties as of the date the foregoing representations and warranties are made and are remade.

15. This Guaranty shall be binding upon the legal and personal representatives, successors and assigns of the Guarantor.

16. **THIS GUARANTY, THE NOTE, AND ALL OTHER INSTRUMENTS EVIDENCING AND SECURING THE LOAN SECURED HEREBY WERE NEGOTIATED IN THE STATE OF WASHINGTON, AND DELIVERED BY GUARANTOR OR BORROWER, AS APPLICABLE, AND ACCEPTED BY LENDER IN THE STATE OF WASHINGTON, WHICH STATE THE PARTIES AGREE HAS A SUBSTANTIAL RELATIONSHIP TO THE PARTIES AND THE UNDERLYING TRANSACTIONS EMBODIED HEREBY. IN ALL RESPECTS, INCLUDING, WITHOUT LIMITATION, PERFORMANCE OF THIS GUARANTY AND THE OBLIGATIONS ARISING HEREUNDER, THIS GUARANTY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF WASHINGTON APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED IN SUCH STATE AND ANY APPLICABLE LAWS OF THE UNITED STATES OF AMERICA.**

17. Lender shall be entitled to honor any request for Loan proceeds made by Borrower and shall have no obligation to see to the proper disposition of such advances. The Guarantor agrees that its obligations hereunder shall not be released or affected by reason of any improper disposition by Borrower of such Loan proceeds.

18. **THE UNDERSIGNED, HAVING BEEN DULY REPRESENTED AND FULLY ADVISED BY LEGAL COUNSEL, ACKNOWLEDGES THIS TRANSACTION IS A COMMERCIAL TRANSACTION AND SHALL NOT BE CONSIDERED A CONSUMER TRANSACTION FOR ANY PURPOSE UNDER FEDERAL LAW OR THE LAWS OF THE STATE OF WASHINGTON.**

*Signature page follows.*

UNRECORDED  
IN WITNESS WHEREOF, the Guarantor has delivered this Guaranty as of the date first written above.

**GUARANTOR: Joanne Rocheford and John Carey**

On behalf of: R & R Homes, LLC

By:

Joanne Rocheford

Print Name: Joanne Rocheford

[Signature]  
Signature: Joanne Rocheford

Date: 8/10/16

On behalf of: Utopia Investments, LLC

By:

John Carey  
Print Name: John Carey

[Signature]  
Signature: John Carey

Date: 8-11-16

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

## ACKNOWLEDGEMENT

State of Washington

County of Skagit

On this day before me, the undersigned Notary Public, personally appeared

John F. Carey  
known to me or who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

Given under my hand and official seal this the 11<sup>th</sup> day of August, 2016.

Signature Dena L. Poling (Seal)

Notary Public in

And for the State of Washington

Residing at Mount Vernon, WA

