

WHEN RECORDED MAIL TO:

Cascade Properties PH, LLC
c/o Dale Huffman
6914 214th Ave. NE
Redmond, WA 98053



201705190078

Skagit County Auditor

\$233.00

5/19/2017 Page

1 of 14 3:23PM

CHICAGO TITLE
620030604

SPACE ABOVE THIS LINE IS FOR
RECORDER'S USE ONLY

DEED OF TRUST, SECURITY AGREEMENT AND FIXTURE FILING

GRANTOR: 755 McCorquedale Rd. Burlington, LLC, A Washington Limited Liability Company

GRANTEE: Cascade Properties PH, LLC, a Washington Limited Liability Company

LEGAL DESCRIPTION

The South 281.0 feet of the West 156.50 feet of Lot 1, Short Plat No. BURL-1-00, approved February 11, 2000, recorded February 11, 2000, under Auditor's File No. 200002110110, records of Skagit County, Washington. Situated in Skagit County Washington

ASSESSOR'S TAX PARCELS OR ACCOUNT NOS: P116414/340407-5-005-0100

Situs address: 755 West McCorquedale Road, Burlington WA 98233

THIS DEED OF TRUST, SECURITY AGREEMENT AND FIXTURE FILING, dated this 19th day of May, 2017 among 755 McCorquedale Rd. Burlington, LLC a Washington Limited Liability Company whose address is 5129 Evergreen Way, Ste D-4, Everett, Snohomish County WA 98247 (referred to below as "**Grantor**"); Cascade Properties PH, LLC a Washington limited liability company, whose address for purposes hereof is 6914 214th Ave. NE, Redmond, King County, Washington 98053 (referred to below as "**Beneficiary**"); and **FIRST AMERICAN TITLE INSURANCE COMPANY**, whose address is 818 Stewart Street, Suite 800, Seattle, King County, Washington 98101 (referred to below as "**Trustee**").

THIS DEED OF TRUST IS INTENDED ALSO AS A FIXTURE FILING AND IS TO BE INDEXED NOT ONLY AS A DEED OF TRUST BUT ALSO AS A FIXTURE FILING.

CONVEYANCE AND GRANT. For valuable consideration, Grantor conveys to Trustee in trust with power of sale, right of entry and possession and for the benefit of Beneficiary all of Grantor's present and future right, title, and interest in and to (a) the property located in King County, Washington legally described in attached Exhibit A, together with all existing or subsequently erected or affixed buildings, improvements and fixtures; all appliances, furniture and furnishings affixed to the real property; all easements, rights of way, and appurtenances; all water, water rights and ditch rights (including stock in utilities with ditch or irrigation rights); and all other rights, royalties, and profits relating to the real property, including without limitation all minerals, oil, gas, geothermal and similar matters, and all requisite approvals, licenses, permits, variances, cooperative agreements, tax credits (if applicable), tax abatement benefits (if applicable), and land-use entitlements (the **"Real Property"**), and (b) all Personal Property, Improvements, Leases and Rents.

Grantor hereby assigns as security to Beneficiary, all of Grantor's right, title, and interest in and to all present and future Leases, Rents, and profits of the Property. Grantor further grants to Beneficiary a security interest in all Rents and Personal Property.

1. **DEFINITIONS.** The following words shall have the following meanings when used in this Deed of Trust. Terms not otherwise defined in this Deed of Trust and defined therein shall have the meanings attributed to such terms in the Uniform Commercial Code, as now or hereafter in effect. All references to dollar amounts shall mean amounts in lawful money of the United States of America.

"Deed of Trust" means this Deed of Trust and Security Agreement among Grantor, Beneficiary and Trustee, and includes without limitation all assignment and security interest provisions relating to the Personal Property, Leases, and Rents.

"Improvements" means and includes without limitation all existing and future improvements, fixtures, buildings, structures, mobile homes affixed on the Real Property, facilities, additions and other construction on the Real Property.

"Indebtedness" means all principal and interest payable under the Note (defined below) along with any and all amounts expended or advanced by Beneficiary to discharge obligations of Grantor or expenses incurred by Trustee or Beneficiary to enforce obligations of Grantor under this Deed of Trust, together with interest on such amounts as provided in the Note and this Deed of Trust (except as to Hazardous Substances, as specified below).

"Leases" means all present and future leases, subleases, rental agreements, and other agreements for the use and occupancy of all or any part of the Real Property, whether written or oral, and any amendments, extensions, renewals, and replacements thereof.

"Note" means the promissory note of even date herewith, in the principal amount of One Million One Hundred Sixty Thousand and NO/100 dollars (\$1,160,000.00) (**"Loan"**) given by Grantor as Maker therein to Beneficiary as Holder therein, together with all renewals, extensions, modifications, refinancings, and substitutions for the Note.

"Personal Property" means Grantor's interest in all of the following, whether now owned or hereafter acquired or arising (a) all equipment, fixtures, inventory and other articles of personal property now or hereafter owned by Grantor, and now or hereafter located on or used in connection with all or any part of the Real Property, any construction thereon or any business operated thereon, together with all accessions, parts, and additions to, all replacements of, and all substitutions for, any of such property; (b) all inventory, equipment, materials, supplies and other goods, wherever located, whether in the possession of Grantor, a

warehouseman, bailee or any other Person, purchased for use in the construction or furnishing of any improvements on the Real Property; (c) all accounts, general intangibles, chattel paper and instruments arising from or relating to the Property or any business operated by Grantor thereon; (d) all construction, service, engineering, consulting, leasing, architectural and other similar contracts of any nature (including, without limitation, those of any general contractors and subcontractors), as such may be modified, amended or supplemented from time to time, concerning the design, construction, management, operation, occupancy, use, and/or disposition of any portion of or all of the Property; (e) all architectural drawings, plans, specification, soil tests, feasibility studies, appraisals, engineering reports and similar materials relating to any portion of or all of the Property; (f) all payment and performance bonds or guarantees and any and all modifications and extensions thereof relating to the Property; (g) all deposits and deposit accounts relating to the Indebtedness or the Property; (h) to the extent it is deemed to be personal property, the Real Property; (i) all awards or payments, including interest thereon, and the right to receive the same, which may be made with respect to the Real Property as a result of the exercise of the right of eminent domain or any other injury to or decrease in the value of the Real Property; and (j) all proceeds (including without limitation all condemnation awards and settlements, insurance proceeds and refunds of premiums) of any of the foregoing and any other Property.

"Property" means collectively the Real Property, the Improvements and the Personal Property and, except where the context otherwise requires, the Leases and Rents.

"Rents" means all present and future rents, revenues, fees, charges, income, issues, royalties, profits and other income, benefits, or payments of any nature arising from or out of the Leases or from or out of all or any part of the Property including but not limited to fees, charges, accounts, and other payments for the use or occupancy of rooms and other public facilities, minimum rents, additional rents, percentage rents, parking or common area maintenance charges, tax and insurance contributions, deficiency rents, and claims for damages from default in any Lease.

THIS DEED OF TRUST, INCLUDING THE SECURITY INTEREST IN PERSONAL PROPERTY, IS GIVEN TO SECURE (1) PAYMENT OF THE INDEBTEDNESS AND (2) PERFORMANCE OF ANY AND ALL OBLIGATIONS OF GRANTOR UNDER EACH AND ALL OF THE NOTE AND THIS DEED OF TRUST.

2. PAYMENT AND PERFORMANCE. Except as otherwise provided in this Deed of Trust, Grantor shall pay to Beneficiary all Indebtedness secured by this Deed of Trust as it becomes due, and Grantor shall strictly perform all of its obligations under the Note and this Deed of Trust.

3. POSSESSION AND MAINTENANCE OF THE PROPERTY.

3.1 Possession and Use. Until the occurrence of an Event of Default, Grantor may (a) remain in possession and control of the Property, and (b) use, operate or manage the Property. The Real Property is not used principally for agricultural or farming purposes.

3.2 Duty to Maintain. Grantor shall maintain the Property in tenantable condition and promptly perform all repairs, replacements, and maintenance necessary to preserve its value.

3.3 Nuisance, Waste. Grantor shall not cause, conduct or permit any nuisance nor commit, permit, or suffer any stripping of or waste on or to the Property or any portion of

the Property. Specifically without limitation, Grantor will not remove, or grant to any other party the right to remove, any timber, minerals (including oil and gas), soil, gravel, or rock products without the prior written consent of Beneficiary.

3.4 Removal of Improvements. Except as required by law, Grantor shall not alter, demolish, or remove any Improvements from the Real Property without the prior written consent of Beneficiary. As a condition to the alteration, demolition, or removal of any Improvements, Beneficiary may require Grantor to make arrangements satisfactory to Beneficiary to replace such Improvements with Improvements of at least equal value.

3.5 Beneficiary's Right to Enter. Beneficiary may enter upon the Real Property at all reasonable times to attend to Beneficiary's interests and to inspect the Property for purposes of Grantor's compliance with the terms and conditions of this Deed of Trust.

3.6 Compliance with Governmental Requirements. Grantor shall promptly comply with all laws, ordinances, and regulations, now or hereafter in effect, of all governmental authorities applicable to the use or occupancy of the Property. Grantor may contest in good faith any such law, ordinance, or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Grantor has notified Beneficiary in writing prior to doing so and so long as, in Beneficiary's sole opinion, Beneficiary's interests in the Property are not jeopardized. Beneficiary may require Grantor to post adequate security or a surety bond, reasonably satisfactory to Beneficiary, to protect Beneficiary's interest.

3.7 Duty to Protect. Grantor agrees neither to abandon nor leave unattended the Property. Grantor shall do all other acts, in addition to those acts set forth above in this section, which from the character and use of the Property are reasonably necessary to protect and preserve the Property.

3.8 Access Laws. (a) Grantor agrees that Grantor and the Property shall at all times strictly comply with the requirements of the federal Americans with Disabilities Act of 1990; the federal Fair Housing Amendments Act of 1988; and other federal, state, or local laws or ordinances related to disabled access; or any statute, rule, regulation, ordinance, order of governmental bodies and regulatory agencies, or order or decree of any court adopted or enacted with respect thereto, as now existing or hereafter amended or adopted (collectively, the "Access Laws").

4. HAZARDOUS SUBSTANCES. Notwithstanding any term, condition or provision to the contrary or seemingly to the contrary herein, in the Note or any other document executed by Grantor or relating to the Loan, nothing herein or therein shall cause any financial or monetary obligation of Grantor relating to or arising from the presence on or in or release from the Property of any Hazardous Substances to be part of the Indebtedness secured by this Deed of Trust.

5. DUE ON SALE - CONSENT BY BENEFICIARY. Grantor shall not sell or transfer all or any part of the Real Property, or any interest in the Real Property. Beneficiary may, at its option, (a) declare immediately due and payable all sums secured by this Deed of Trust or (b) impose such other conditions as Beneficiary deems appropriate, upon the sale or transfer, without the Beneficiary's prior written consent, of all or any part of the Real Property, or any interest in the Real Property. A "sale or transfer" or to "sell or transfer" means the conveyance of the Real Property or any right, title or interest therein; whether legal or equitable; whether voluntary or involuntary; whether by outright sale, deed, installment sale contract, land contract, contract for deed, lease-option contract, or by sale, assignment, or transfer of any beneficial interest in or to any land trust holding title to the Real

Property, or by any other method of conveyance of Real Property interest. However, this option shall not be exercised by Beneficiary if such exercise is prohibited by law.

6. TAXES AND LIENS.

6.1 Payment. Grantor shall pay when due (and in all events prior to delinquency) all taxes, special taxes, assessments, charges (including water and sewer), fines and impositions levied against or on account of the Property, and shall pay when due all claims for work done on or for services rendered or material furnished to the Property. Grantor shall maintain the Property free of all liens and encumbrances except Permitted Encumbrances (as defined below), the lien of taxes and assessments not due, and except as otherwise provided in this Deed of Trust.

6.2 Right to Contest. Grantor may withhold payment of any tax, assessment, or claim in connection with a good faith dispute over the obligation to pay, so long as Beneficiary's interest in the Property is not jeopardized. If a lien arises or is filed as a result of nonpayment, Grantor shall within fifteen (15) days after the lien arises or, if a lien is filed, within fifteen (15) days after Grantor has notice of the filing, secure the discharge of the lien, or if requested by Beneficiary, deposit with Beneficiary cash or a sufficient corporate surety bond or other security satisfactory to Beneficiary in an amount sufficient to discharge the lien plus any costs and attorneys' fees or other charges that could accrue as a result of a foreclosure or sale under the lien. In any contest, Grantor shall defend itself and Beneficiary and shall satisfy any adverse judgment before enforcement against the Property. Grantor shall name Beneficiary as an additional obligee under any surety bond furnished in the contest proceedings.

6.3 Evidence of Payment. Grantor shall upon demand furnish to Beneficiary satisfactory evidence of payment of the taxes or assessments and shall authorize the appropriate governmental official to deliver to Beneficiary at any time a written statement of the taxes and assessments against the Property.

6.4 Notice of Construction. Grantor shall notify Beneficiary at least fifteen (15) days before any work is commenced, any services are furnished, or any materials are supplied to the Property, if any mechanic's lien, materialmen's lien, or other lien could be asserted on account of the work, services, or materials and the cost exceeds \$50,000.00. Grantor will upon request of Beneficiary furnish to Beneficiary advance assurances satisfactory to Beneficiary that Grantor can and will pay the cost of such improvements.

7. INSURANCE.

7.1 Maintenance of Insurance. Grantor shall obtain and maintain the following such policies of insurance: (a) property insurance with respect to all Improvements, Personal Property and any other insurable Property, covering loss by fire, theft and such other hazards as are now or hereafter covered by Special Form (also known as "all-risk") coverage, including earth movement, in an amount equal to 100% of the full replacement cost value and sufficient to avoid application of any coinsurance clause, and with an acceptable mortgagee and/or lender loss payable clause in favor of Beneficiary, which insurance shall, during the course of any construction be in a "builder's risk" completed value (non reporting) form; (b) the following liability insurance policies insuring against any claims for personal injury or death and property damage: (i) an occurrence form commercial general liability insurance policy including contractual liability coverage and an endorsement for liability associated with Hazardous Substances, in an amount not less than \$500,000 per occurrence and \$1,000,000 in the

aggregate, and (ii) an excess liability insurance policy in the amount of \$500,000 in the form or any umbrella policy, for a total coverage of not less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate. Said liability policies shall name Beneficiary as an additional insured.

7.2 Form of Policies. The insurance policies required to be carried by Grantor shall: (i) be through an insurance company qualified to do business in the State of Washington and holding a "General Policy Rating" of A:VII or better by A.M. Best Company, and in a form satisfactory to Beneficiary; (ii) contain a clause by which the insurance company waives all rights of subrogation against Beneficiary, its members, employees and agents with respect to losses payable under said policies, and (iii) contain a clause that the insurer will not cancel or reduce coverage or make other modifications without first giving Beneficiary thirty (30) days prior written notice. Grantor shall deliver to Beneficiary a copy of each policy of insurance or a certificate of insurance evidencing the existence and amount of such insurance; and Grantor shall within forty-five (45) days prior to the expiration of any such policy, deliver to Beneficiary certificates of insurance evidencing the renewal of said policy. Any such policy shall be written as a primary policy not contributing with and not in excess of coverage which Beneficiary may carry.

8. EXPENDITURES BY BENEFICIARY. If any action or proceeding is commenced that would materially affect Beneficiary's interest in the Property or if Grantor fails to comply with any provision of this Deed of Trust or the Note, Beneficiary on Grantor's behalf may (but shall not be obligated to) take any action that Beneficiary deems appropriate, including but not limited to discharging or paying all taxes, liens, security interests, encumbrances and other claims, at any time levied or placed on the Property and paying all costs for insuring, maintaining and preserving the Property. All such expenditures incurred or paid by Beneficiary for such purposes will then bear interest at the interest rate set forth in the Note from the date incurred or paid by Beneficiary to the date of repayment. All such expenses will become a part of the Indebtedness and will be payable on demand. The Property also will secure payment of these amounts. Such right shall be in addition to all other rights and remedies to which Beneficiary may be entitled on account of the default. Any such action by Beneficiary shall not be construed as curing the default so as to bar Beneficiary from any remedy that it otherwise would have had.

9. WARRANTY; DEFENSE OF TITLE.

9.1 Title. Grantor warrants that: (a) Grantor holds good and marketable title of record to the Property in fee simple, free and clear of all liens and encumbrances other than all covenants, conditions, restrictions reservations, easements or other servitudes if any disclosed by the recorded Plat of Aero Heights, and (b) Grantor has the full right, power, and authority to execute and deliver this Deed of Trust to Beneficiary.

9.2 Defense of Title. Except for Permitted Encumbrances, Grantor warrants and will forever defend the title to the Property against the lawful claims of all Persons and agrees that there shall be no other liens or encumbrances against the Property. In the event any action or proceeding is commenced that questions Grantor's title or the interest of Trustee or Beneficiary under this Deed of Trust, Grantor shall defend the action at Grantor's expense. Grantor may be the nominal party in such proceeding, but Beneficiary shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of Beneficiary's own choice, and Grantor will deliver, or cause to be delivered, to Beneficiary such instruments as Beneficiary may request from time to time to permit such participation.

9.3 **Compliance with Laws.** Grantor warrants that the Property and Grantor's use of the Property complies with all existing applicable laws, ordinances, and regulations of governmental authorities.

10. CONDEMNATION.

10.1 **Application of Net Proceeds.** If all or any part of the Property is condemned by eminent domain proceedings or by any proceeding or purchase in lieu of condemnation, Beneficiary may at its election require that all or any portion of the net proceeds of the award be applied to the indebtedness or may permit the proceeds to be applied to the repair or restoration of the Property. If the proceeds are applied to repair or restoration, Beneficiary shall, upon satisfactory proof of such expenditure, pay or reimburse Grantor from the proceeds for the reasonable cost of repair or restoration if Grantor is not in default under this Deed of Trust or, at Beneficiary's option, the proceeds shall be disbursed by Beneficiary in accordance with its usual practices for construction loans (in which case Beneficiary shall be entitled to reasonable compensation for its services). The net proceeds of the award shall mean the award after payment of all reasonable costs, expenses, and attorneys' fees, of both the Trustee and Beneficiary in connection with the condemnation.

10.2 **Proceedings.** If any proceeding in condemnation is filed, Grantor shall promptly notify Beneficiary in writing, and Grantor shall promptly take such steps as may be necessary to defend the action and obtain the award. Grantor may be the nominal party in such proceeding, but Beneficiary shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of its own choice, and Grantor will deliver or cause to be delivered to Beneficiary such instruments as may be requested by it from time to time to permit such participation.

11. SECURITY AGREEMENT; FINANCING STATEMENTS.

11.1 **Security Agreement.** This instrument shall constitute a security agreement to the extent any of the Property constitutes inventory, equipment, fixtures, accounts, general intangibles, instruments, chattel paper, deposit accounts, or other personal property, and Beneficiary shall have all of the rights of a secured party under the Uniform Commercial Code as amended from time to time.

11.2 **Security Interest.** Upon request by Beneficiary, Grantor shall take whatever action is requested by Beneficiary to evidence, perfect, protect, enforce, and continue Beneficiary's security interest in the Rents and Personal Property. In addition to recording this Deed of Trust in the real property records, Beneficiary may, at any time and without further authorization from Grantor, file executed counterparts, copies or reproductions of this Deed of Trust as a financing statement. Grantor authorizes Beneficiary to file any financing statements and to take all other actions which Beneficiary deems advisable to evidence, perfect or continue its security interest in any collateral for the Indebtedness. Grantor shall reimburse Beneficiary for all expenses incurred in perfecting or continuing this security interest. Upon default, Grantor shall assemble the Personal Property in a manner and at a place reasonably convenient to Grantor and Beneficiary and make it available to Beneficiary within three (3) days after receipt of written demand from Beneficiary.

11.3 **UCC Financing Statement Information.** The mailing addresses of Grantor (debtor) and Beneficiary (secured party), from which information concerning the security

interest granted by this Deed of Trust may be obtained (each as required by the Uniform Commercial Code), are as stated on the first page of this Deed of Trust .

12. ASSIGNMENT OF LEASES AND RENTS. Grantor assigns and conveys to Beneficiary all of Grantor's right, title, and interest in and to all present and future Leases and Rents. Beneficiary grants to Grantor a license to collect the Rents and profits, which license shall be automatically revoked upon acceleration of all or part of the Indebtedness.

12.1 Beneficiary Not Liable. Beneficiary does not assume and shall not be liable for any obligation of the lessor under any of the Leases and all such obligations shall continue to rest upon Grantor as though this assignment had not been made. Neither the assignment of the Leases and Rents nor the exercise by Beneficiary of any of its rights or remedies hereunder or in connection herewith, prior to Beneficiary obtaining actual possession of the Property, shall constitute Beneficiary a "mortgagee in possession" or otherwise make Beneficiary responsible or liable in any manner with respect to the Property or the occupancy, operation or use thereof.

12.2 Beneficiary's Rights to Collect Rents. In addition to the other remedies available to Beneficiary, Beneficiary shall have the right at any time, if an Event of Default has occurred, to collect and receive the Rents. For this purpose, Beneficiary is hereby given and granted the following rights, powers and authority: (a) Beneficiary may send notices to any and all tenants of the Property advising them of the assignment and directing all Rents to be paid directly to Beneficiary; (b) Beneficiary may enter upon and take possession of the Property; demand, collect and receive from the tenants or from any other Persons liable therefor, all of the Rents; institute and carry on all legal proceedings necessary for the protection of the Property, including such proceedings as may be necessary to recover possession of the Property; collect the Rents and remove any tenant or tenants or other Persons from the Property; (c) Beneficiary may enter upon the Property to maintain the Property and keep the same in repair; to pay the costs thereof and of all services of all employees, including their equipment, and of all continuing costs and expenses of maintaining the Property in proper repair and condition, and also to pay all taxes, assessments and water utilities, and the premiums on fire and other insurance effected by Beneficiary on the Property; (d) Beneficiary may do any and all things to execute and comply with applicable state laws and also all other laws, rules, orders, ordinances and requirements of all other governmental agencies affecting the Property; (e) Beneficiary may rent or lease the whole or any part of the Property for such term or terms and on such conditions as Beneficiary may deem appropriate; (f) Beneficiary may engage such agent or agents as Beneficiary may deem appropriate, either in Beneficiary's name or in Grantor's name, to rent and manage the Property, including the collection and application of Rents; and (g) Beneficiary may do all such other things and acts with respect to the Property as Beneficiary may deem appropriate and may act exclusively and solely in the place and stead of Grantor and to have all of the powers of Grantor for the purposes stated above. Beneficiary shall not be required to do any of the foregoing acts or things, and the fact that Beneficiary shall have performed one or more of the foregoing acts or things shall not require Beneficiary to do any other specific act or thing.

12.3 Application of Rents. All costs and expenses incurred by Beneficiary in connection with the Property shall be for Grantor's account and Beneficiary may pay such costs and expenses from the Rents. Beneficiary, in its sole discretion, shall determine the application of any and all Rents received by it; however, any such Rents received by Beneficiary which are not applied to such costs and expenses shall be applied to the Indebtedness. All expenditures

made by Beneficiary and not reimbursed from the Rents shall become a part of the Indebtedness secured by this Deed of Trust, and shall be payable on demand, with interest at the rate set forth in the Note from date of expenditure until paid.

13. FURTHER ASSURANCES. At any time, and from time to time, upon request of Beneficiary, Grantor will make, execute and deliver, or will cause to be made, executed or delivered, to Beneficiary, and when requested by Beneficiary, cause to be filed, recorded, refiled, or rerecorded, as the case may be, at such times and in such offices and places as Beneficiary may deem appropriate, any and all such mortgages, deeds of trust, security deeds, security agreements, financing statements, continuation statements, instruments of further assurance, certificates, and other documents as may, in the sole opinion of Beneficiary, be necessary or desirable in order to effectuate, complete, perfect, continue, or preserve (a) the obligations of Grantor under the Note and this Deed of Trust, and (b) the liens and security interests created by this Deed of Trust on the Property, whether now owned or hereafter acquired by Grantor. Unless prohibited by law or agreed to the contrary by Beneficiary in writing, Grantor shall reimburse Beneficiary for all costs and expenses incurred in connection with the matters referred to in this paragraph.

14. FULL PERFORMANCE. If Grantor pays all the Indebtedness when due and Grantor otherwise performs all the obligations imposed under this Deed of Trust, Beneficiary shall execute and deliver to Trustee a request for full reconveyance and shall execute and deliver to Grantor suitable statements of termination of any financing statement on file evidencing Beneficiary's security interest in the Rents and the Personal Property. Grantor shall pay Beneficiary a reasonable reconveyance fee for said reconveyance. The grantee in any such reconveyance may be described as the "person or persons legally entitled thereto."

15. DEFAULT. Each and any of the following, at the option of Beneficiary, shall constitute an event of default ("Event of Default") under this Deed of Trust and the Note:

15.1 Default on Indebtedness. Grantor fails to make a payment required pursuant to either the Note or this Deed of Trust when the same is due and owing.

15.2 Compliance Default. Any default or event of default under or any failure of Grantor to pay, perform or comply with any other term, obligation, covenant or condition contained in the Note or in this Deed of Trust, and such failure continues for a period of ten (10) days following notice thereof from Beneficiary.

15.3 Default on Other Obligations. Any default or event of default under any other deed of trust, mortgage, security agreement or other instrument creating, evidence, imposing or resulting in a lien against the Property or under any note, obligation or instrument secured thereby, or any default or event of default under any of the Permitted Encumbrances.

15.4 Insolvency. Grantor admits in writing the inability to pay debts generally as they become due; or Grantor files a voluntary petition in bankruptcy or for the adoption of an arrangement under the Federal Bankruptcy Code or any other debtor's relief law, which petition or proceeding is not dismissed within sixty (60) days; or Grantor makes an assignment of any of Grantor's Property for the benefit of creditors.

15.5 Misrepresentation. If any representation or warranty made in writing by Grantor in connection with the Note, the providing of funds or extension of credit from Beneficiary to Grantor, or the forbearance by Beneficiary with respect to any amount due from Grantor to Beneficiary, was untrue in any material respect when made.

16. RIGHTS AND REMEDIES ON DEFAULT. On the occurrence of any Event of Default and at any time thereafter, Trustee or Beneficiary, at its option, may exercise any one or more of the following rights and remedies, in addition to any other rights or remedies provided by law:

16.1 Accelerate Indebtedness. Beneficiary shall have the right at its option to declare the entire Indebtedness immediately due and payable; provided, however, if any proceeding under any bankruptcy or insolvency laws is commenced by or against Grantor, the Indebtedness shall automatically become due and payable in full.

16.2 Foreclosure. With respect to all or any part of the Real Property, the Trustee and Beneficiary shall have the right to foreclose by notice and sale, and to foreclose by judicial foreclosure, in either case in accordance with and to the full extent provided by applicable law.

16.3 Deficiency Judgment. To the extent permitted by law, including, without limitation, RCW 61.24.100, and any similar or successor statute, Beneficiary shall have the right to seek and obtain a deficiency judgment following the completion of a judicial foreclosure or trustee's sale of all or a portion of the security for the obligations secured by this Deed of Trust.

16.4 UCC Remedies. With respect to all or any part of the Personal Property, Beneficiary shall have all the rights and remedies of a secured party under the Uniform Commercial Code, including without limitation the right to recover any deficiency in the manner and to the full extent provided by applicable law.

16.5 Collect Rents. Beneficiary shall have the right, without notice to Grantor, to take possession of and manage the Property and collect the Rents, including amounts past due and unpaid, and apply the net proceeds, over and above Beneficiary's costs, against the Indebtedness. Beneficiary may exercise its rights under this subparagraph either in person, by agent, or through a receiver.

16.6 Appoint Receiver. Beneficiary shall have the right to have a receiver appointed to take possession of all or any part of the Property, with the power to protect and preserve the Property, to operate the Property preceding foreclosure or sale, and to collect the Rents from the Property and apply the proceeds, over and above the cost of the receivership, against the Indebtedness. The receiver may serve without bond if permitted by law. Beneficiary's right to the appointment of a receiver shall exist whether or not the apparent value of the Property exceeds the Indebtedness by a substantial amount. Grantor acknowledges and agrees that the provisions of RCW 7.60.020(6) or any similar or successor statute which authorize appointment of a receiver as necessary to secure ample justice to the parties, apply to Grantor's consent herein to the appointment of a receiver. Grantor expressly acknowledges that enforcement of Beneficiary's right to appointment of a receiver hereunder is necessary to secure ample justice to the parties. Grantor hereby further agrees to the extent permitted by law that the pendency of any action brought by Beneficiary for the appointment of a receiver shall not prevent the foreclosure of this Deed of Trust. Grantor hereby expressly waives the effect, if any, of RCW 61.24.030(4) (or any similar successor statute) in this regard.

16.7 Other Remedies. Trustee or Beneficiary shall have any other right or remedy provided in the Note, or this Deed of Trust or by law. The exercise by Beneficiary of its remedies for Grantor default under this Deed of Trust shall not waive, release or discharge the remedies of Grantor under the Guaranty. Neither Beneficiary nor Trustee shall be obligated to exhaust any other right, remedy or recourse as may be available under the Note or any other

document or legal right relating to the Indebtedness prior to exercising the remedies provided for hereunder.

16.8 Sale of the Property. To the extent permitted by applicable law, Grantor hereby waives any and all rights to have the Property marshaled. In exercising its rights and remedies, the Trustee or Beneficiary shall be free to sell all or any part of the Property together or separately, in one sale or by separate sales. Beneficiary shall be entitled to bid at any public sale on all or any portion of the Property.

16.9 Waiver; Election of Remedies. A waiver by any party of a breach of a provision of this Deed of Trust shall not constitute a waiver of or prejudice the party's rights otherwise to demand strict compliance with that provision or any other provision. Election by Beneficiary to pursue any remedy provided in the Note or this Deed of Trust, or provided by law shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Grantor under this Deed of Trust after failure of Grantor to perform shall not affect Beneficiary's right to declare a default and to exercise any of its remedies.

16.10 Attorney Fees; Expenses. Whether or not any court action is involved, all reasonable expenses incurred by Beneficiary which in Beneficiary's opinion are necessary at any time for the protection of its interest or the enforcement of its rights shall become a part of the Indebtedness payable on demand and shall bear interest at the interest rate stated in the Note from the date of expenditure until repaid. Expenses covered by this paragraph include, without limitation, however subject to any limits under applicable law, Beneficiary's attorney fees whether or not there is a lawsuit, the cost of searching records, obtaining title reports (including foreclosure reports), surveyors' reports, appraisal fees, title insurance, and fees for the Trustee, to the extent permitted by applicable law. Without limiting the foregoing, if any suit or action is commenced to construe or to enforce any of the terms of this Deed of Trust, Beneficiary shall be entitled to recover such sums as the court may adjudge reasonable as attorney fees. As used in this Deed of Trust, "attorney fees" include attorney fees whether or not there is a lawsuit and include without limitation attorney fees at trial, in any appellate proceeding, proceeding under the bankruptcy code (including efforts to modify or vacate any automatic stay or injunction) or receivership, and post-judgment fees of enforcing any judgment. Grantor also will pay any court costs, in addition to all other sums provided by law.

16.11 Rights of Trustee. Trustee shall have all of the rights and duties of Beneficiary as set forth in this section.

17. POWERS AND OBLIGATIONS OF TRUSTEE.

17.1 Trustee. Trustee shall meet all qualifications required for Trustee under applicable law. In addition to the rights and remedies set forth above, with respect to all or any part of the Property, the Trustee shall have the right to foreclose by notice and sale, and Beneficiary shall have the right to foreclose by judicial foreclosure, in either case in accordance with and to the full extent provided by applicable law.

17.2 Successor Trustee. Beneficiary, at Beneficiary's option, may from time to time appoint a successor Trustee to any Trustee appointed hereunder in accordance with the requirements of applicable law. The successor trustee, without conveyance of the Property, shall succeed to all the title, power, and duties conferred upon the Trustee in this Deed of Trust and by applicable law.

18. NOTICES TO GRANTOR AND OTHER PARTIES. Any notice under this Deed of Trust shall be in writing and shall be effective when actually delivered or, if mailed, shall be deemed effective when deposited in the United States mail first class, certified or registered mail, postage prepaid, directed to the addresses shown near the beginning of this Deed of Trust. Any party may change its address for notices under this Deed of Trust by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Grantor agrees to keep Beneficiary and Trustee informed at all times of Grantor's current address.

19. ANTI-DEFICIENCY WAIVERS. To the extent permitted by applicable law, Grantor waives all rights or defenses arising by reason of any "one action" or "anti-deficiency" law, or any other law which may prevent Beneficiary from bringing any action against Grantor, including a claim for deficiency to the extent Beneficiary is otherwise entitled to a claim for deficiency, before or after Beneficiary's commencement or completion of any foreclosure action, either judicially or by exercise of a power of sale.

20. MISCELLANEOUS PROVISIONS.

20.1 Amendments. This Deed of Trust constitutes the entire understanding and agreement of the parties as to the matters set forth in this Deed of Trust. No alteration of or amendment to this Deed of Trust shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

20.2 Accounts and Records. Grantor will furnish to Beneficiary from time to time such financial and other information as Beneficiary requests regarding Grantor and the Property.

20.3 Applicable Law. This Deed of Trust shall be governed by, construed and enforced in accordance with the laws of the State of Washington, and jurisdiction and venue of any action hereunder shall lie in the Superior Court for King County, Washington.

20.4 Caption Headings. Caption headings in this Deed of Trust are for convenience purposes only and are not to be used to interpret or define the provisions of this Deed of Trust.

20.5 Merger. There shall be no merger of the interest or estate created by this Deed of Trust with any other interest or estate in the Property at any time held by or for the benefit of Beneficiary in any capacity, without the written consent of Beneficiary.

20.6 Severability. If a court of competent jurisdiction finds any provision of this Deed of Trust to be invalid or unenforceable as to any Person or circumstance, such finding shall not render that provision invalid or unenforceable as to any other Persons or circumstances. If feasible, any such offending provision shall be deemed to be modified to be within the limits of enforceability or validity; however, if the offending provision cannot be so modified, it shall be stricken and all other provisions of this Deed of Trust in all other respects shall remain valid and enforceable.

20.7 Time Is of the Essence. Time is of the essence in the performance of this Deed of Trust.

20.8 Waivers and Consents. Beneficiary shall not be deemed to have waived any rights under this Deed of Trust (or under the Note) unless such waiver is in writing and signed by Beneficiary. No delay or omission on the part of Beneficiary in exercising any right shall

operate as a waiver of such right or any other right. A waiver by any party of a provision of this Deed of Trust shall not constitute a waiver of or prejudice the party's right otherwise to demand strict compliance with that provision or any other provision. No prior waiver by Beneficiary, nor any course of dealing between Beneficiary and Grantor, shall constitute a waiver of any of Beneficiary's rights or any of Grantor's obligations as to any future transactions. Whenever consent by Beneficiary is required in this Deed of Trust, the granting of such consent by Beneficiary in any instance shall not constitute continuing consent to subsequent instances where such consent is required.

20.9 **Waiver of Homestead Exemption.** Grantor hereby releases and waives all rights and benefits of the homestead exemption laws of the State of Washington as to all indebtedness secured hereby.

GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS DEED OF TRUST, AND GRANTOR AGREES TO ITS TERMS.

GRANTOR: 755 McCorquedale Rd, Burlington, LLC, A Washington Limited Liability Company

By:

Scott T. Hensrude
Scott T. Hensrude, Managing Member

STATE OF WASHINGTON)

COUNTY OF Snohomish)

ss

I certify that I know or have satisfactory evidence that Scott T. Hensrude 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.

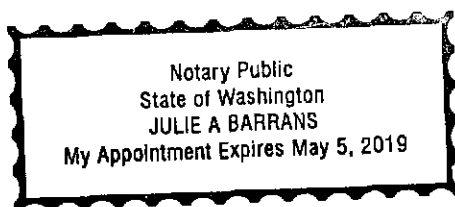
DATED: May 18, 2017

NAME:

Julie A. Barrans
(Print Name)

Notary Public in and for the State of Washington

Commission Expires: May 5, 2019



REQUEST FOR FULL RECONVEYANCE

Do Not Record.

To be used only when all obligations have been paid under the note and this Deed of Trust.

TO: TRUSTEE

The undersigned is the legal owner and holder of the note and all other indebtedness secured by the within Deed of Trust. Said note, together with all other indebtedness secured by said Deed of Trust, has been fully paid and satisfied; and you are hereby requested and directed, on payment to you of any sums owing to you under the terms of said Deed of Trust, to cancel said note above mentioned, and all other evidences of indebtedness secured by said Deed of Trust delivered to you herewith, together with the said Deed of Trust, and to reconvey, without warranty, to the parties designated by the terms of said Deed of Trust, all the estate now held by you thereunder.

Dated _____,

Cascade Properties PH, LLC, a Washington
Limited Liability Company

By: _____
L. Dale Huffman, Member