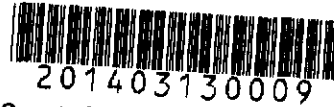


**WHEN RECORDED RETURN TO:**

Sallye N. Quinn  
Barron Smith Daugert, PLLC  
300 N. Commercial Street  
Bellingham, WA 98225



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**GRANTORS: C. Roger Sahlin and Gerry Sahlin, husband and wife**

**BENEFICIARY: ROBERT M. TULL**

**GRANTEE (Trustee): Chicago Title Company**

**LEGAL DESCRIPTION: PTN GOV. LOT 1, 25-36-02**

Full legal description on page 9.

**TAX PARCEL I.D. #: P47013/360225-0-052-0004**

**DEED OF TRUST**

THIS DEED OF TRUST, is made this 12th day of March, 2014, between C. Roger Sahlin and Gerry Sahlin, husband and wife, the GRANTOR, whose address is 1801 Roeder Ave, #156, Bellingham, WA 98225, CHICAGO TITLE COMPANY, as TRUSTEE, whose address is 1616 Cornwall Ave. Ste. 115, Bellingham, WA 98225, and Robert M. Tull, an individual as BENEFICIARY, whose address is ATTN: Sallye Quinn, PO BOX 5008, Bellingham, WA 98229.

WITNESSETH: Grantor hereby bargains, sells and conveys to Trustee in Trust, with power of sale, the following:

1. **Collateral.**

1.1 **Land and Appurtenances.** The land described on **Exhibit A** hereto and all tenements, hereditaments, rights-of-way, easements, appendages, and appurtenances thereto belonging or in any way appertaining, including without limitation all of the right, title, and interest of Grantor in and to any avenues, streets, ways, alleys, vaults, strips of land adjoining that property, and all claims or demands of Grantor either in law or in equity in possession or expectancy of, in and to that property (the "Property"); and

**1.2 Improvements and Fixtures.** All buildings, structures, and other improvements now or hereafter erected on the property described in 1.1 above, and any and all rights of Grantor in any and all of the following, as they relate to the Property: Facilities, fixtures, machinery, apparatus, installations, goods, exercise equipment, inventory, supplies, furniture, and other properties of whatsoever nature (including without limitation all heating, ventilating, air conditioning, plumbing, and electrical equipment, all elevators and escalators, all sprinkler systems, all engines and motors, all lighting, laundry, cleaning, fire prevention and fire extinguishing equipment, all ducts and compressors, all refrigerators, stoves, and other appliances, attached cabinets, partitions, rugs, carpets, and draperies, all building materials and supplies, and all construction forms, tools and equipment), now or hereafter located in or used or procured for use in connection with that property, it being the intention of the parties that all property of the character hereinabove described that is now owned or hereafter acquired by Grantor and that is affixed or attached to, stored upon, or used in connection with the property described in 1.1 above shall be, remain, or become a portion of that property and shall be covered by and subject to the lien of this Deed of Trust, together with all contracts, agreements, permits, plans, specifications, drawings, surveys, engineering reports, and other work products relating to the construction of the existing or any future improvements on the Property, any and all rights of Grantor in, to, or under any architect's contracts or construction contracts relating to the construction of the existing or any future improvements on the Property, and any performance and/or payment bonds issued in connection therewith, together with all trademarks, trade names, copyrights, computer software, and other intellectual property used by Grantor in connection with the Property; and

**1.3 Enforcement and Collection.** Any and all rights of Grantor without limitation to make claim for, collect, receive, and receipt for any and all rents, income, revenues, issues, club membership dues, royalties, and profits, including mineral, oil, and gas rights and profits, insurance proceeds, condemnation awards, and other moneys, payable or receivable from or on account of any of the Property, including interest thereon, or to enforce all other provisions of any other agreement (including those described in Section 1.2 above) affecting or relating to any of the Property, to bring any suit in equity, action at law, or other proceeding for the collection of such moneys or for the specific or other enforcement of any such agreement, award, or judgment, in the name of Grantor or otherwise, and to do any and all things that Grantor is or may be or become entitled to do with respect thereto, provided, however, that no obligation of Grantor under the provisions of any such agreements, awards, or judgments shall be impaired or diminished by virtue hereof, nor shall any such obligation be imposed upon Trustee or Beneficiary; and

**1.4 Accounts and Income.** Any and all rights of Grantor in any and all accounts, rights to payment, membership accounts and dues owed thereon, contract rights, chattel paper, documents, instruments, licenses, contracts, agreements, and general intangibles relating to any of the Property, including, without limitation, income, and profits derived from the operation of any business on the Property or attributable to services that occur or are provided on the Property or generated from the use and operation of the Property; and

**1.5 Leases.** All of Grantor's rights as landlord in and to all existing and future leases and tenancies, whether written or oral and whether for a definite term or month to month or otherwise, now or hereafter demising all or any portion of the property described in 1.1 and 1.2 above, including all renewals and extensions thereof and all rents, deposits, and other amounts received or



receivable thereunder. In accepting this Deed of Trust, neither Beneficiary nor Trustee assumes any liability for the performance of any such lease.

**1.6 Books and Records.** All books and records of Grantor relating to the foregoing in any form and all computer software necessary or useful to reading such books and records.

**1.7 Proceeds and Claims.** All proceeds and claims arising on account of any damage to or taking of the land described on **Exhibit A** hereto or any improvements thereon, and all causes of action and recoveries for any loss or diminution in the value of the land described on **Exhibit A** hereto or any improvements thereon, including the proceeds of any policy of insurance covering the Improvements or the proceeds of any condemnation action or transfer in lieu of condemnation.

**1.8 Insurance.** Insurance policies relating to the land described on **Exhibit A** hereto or any improvements thereon.

1.1 through 1.8 are collectively referred to herein as the "Collateral." The property that is the subject of this Deed of Trust is not used principally for agricultural purposes.

This deed is for the purpose of securing:

a. Payment of any and all indebtedness and obligations arising from time to time under that certain Promissory Note payable by Triple R. Residential Construction Company, a Washington corporation ("Borrower"), as maker, to the order of Beneficiary or order, executed March 12, 2014, as amended from time to time (the "Note"), evidencing a loan from Beneficiary to Borrower in the principal amount of \$58,000.00 (the "Loan"), together with interest thereon and any modifications, extensions or renewals thereof, whether or not such modification, extension or renewal is evidenced by a new or additional promissory note or notes.

b. Performance of each agreement of Grantor herein contained.

c. Certain Obligations Unsecured. Notwithstanding anything to the contrary set forth herein or in any of the Loan Documents, this Deed of Trust shall not secure the following obligations (the "Unsecured Obligations"): (i) any guaranties executed in connection with the Loan, including without limitation any guaranty executed by: (1) C. Roger Sahlin; or (2) Gerry Sahlin. Any breach or default with respect to the Unsecured Obligations shall constitute an Event of Default hereunder, notwithstanding the fact that such Unsecured Obligations are not secured by this Deed of Trust. Nothing in this Section shall, in itself, impair or limit Beneficiary's right to obtain a judgment in accordance with applicable law after foreclosure for any deficiency in recovery of all obligations that are secured by this Deed of Trust following foreclosure.

d. Grantor's liability for payment and performance of the indebtedness and obligations of Borrower to Beneficiary is not limited to the property encumbered by this Deed of Trust if Grantor has agreed to be liable for such indebtedness and obligations under a guaranty or other agreement with Beneficiary.

2. **Assignment of Rents.** As further security for the payment of all indebtedness herein mentioned, including without limitation the Obligation, all Grantor's rights in the rents and profits of said property and the right, title and interest of the Grantor in and under all leases now or hereafter



affecting said property (the "Rents"), are hereby assigned and transferred to the Beneficiary. So long as no default shall exist in compliance with any requirement hereof or of any further instrument at any time executed with respect to this Deed of Trust the Grantor may collect assigned Rents as the same fall due, but upon the occurrence of any such default, or at such later time as the Beneficiary in its sole discretion may fix by written notice, all right of the Grantor to collect or receive Rents shall wholly terminate. All Rents of Grantor received from or in respect to said property which it shall be permitted to collect hereunder shall be received by it in trust to pay the usual and reasonable operating expenses of, and the taxes upon, said property and the sums owing the Beneficiary as they become due and payable as provided in this Deed of Trust or in the said Obligation or in any modification of either. The balance of such Rents after payment of such operating expenses, taxes and sums due the Beneficiary, and after the setting aside of accruals to date of such expenses, taxes and sums, including amortization, shall be Grantor's absolute property. No lease of the whole or any part of the property involving an initial term of more than three years shall be modified or terminated without the written consent of the Beneficiary, nor shall the surrender of any such lease be accepted nor any rental thereunder be collected for more than two months in advance without like written consent. In the event of any default hereunder and the exercise by the Beneficiary of its rights hereby granted, Grantor agrees that payments made by tenants or occupants to the Beneficiary shall, as to such tenants, be considered as though made to Grantor and in discharge of tenants' obligations as such to Grantor. Nothing herein contained shall be construed as obliging the Beneficiary to perform any of Grantor's covenants under any lease or rental arrangement. Grantor shall execute and deliver to the Beneficiary upon demand any further or supplemental assignments necessary to effectuate the intentions of this paragraph and upon failure of the Grantor so to comply, Beneficiary may, in addition to any other right or remedy it has, declare the maturity of the indebtedness hereby secured.

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

3. **Waste.** To keep the property and buildings 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.
4. **Taxes/Assessments.** 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.
5. **Insurance.** 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. Policies shall include waivers of co-insurance. The Beneficiary shall be provided evidence of the renewal of the policies before expiration and thirty (30) days prior notice from the insurance carrier of policy cancellations. All policies for such insurance shall also name Beneficiary as an additional insured.
6. **Defend Security.** To defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee, and to pay all costs and expenses, including cost of title



search and attorney's fees in a reasonable amount, in any such action or proceeding, and in any suit brought by Beneficiary to foreclose this Deed of Trust.

7. **Costs/Expenses.** In the event of any default under this Deed of Trust, or in the event that any dispute arises relating to the interpretation, enforcement, or performance of any obligation secured by this Deed of Trust, or in the event of bankruptcy or insolvency proceedings as described below, Beneficiary shall be entitled to recover from Grantor all fees and expenses reasonably incurred in connection therewith, including but not limited to fees of attorneys, accountants, appraisers, environmental inspectors, consultants, expert witnesses, arbitrators, mediators, and court reporters, and including any costs reasonably incurred by the Beneficiary in connection with a suit for a deficiency judgment against Grantor and/or any Guarantor such as appraisal fees, and any other costs and expenses reasonably incurred by the Beneficiary. Without limiting the generality of the foregoing, Grantor shall pay all such costs and expenses reasonably incurred in connection with (a) arbitration or other alternative dispute resolution proceedings, trial court actions, and appeals; (b) bankruptcy or other insolvency proceedings of Grantor, any guarantor or other party liable for any of the obligations secured by this Deed of Trust, or any party having any interest in any security for any of those obligations; (c) judicial or nonjudicial foreclosure on, or appointment of a receiver for, any of the Property; (d) postjudgment collection proceedings; (e) all claims, counterclaims, cross-claims, and defenses asserted in any of the foregoing whether or not they arise out of or are related to this Deed of Trust; (f) all preparation for any of the foregoing; and (g) all settlement negotiations with respect to any of the foregoing.

8. **Taxes/Insurance.** Should Grantor fail to pay when due any taxes, assessments, insurance premiums, liens, encumbrances or other charges against the property hereinabove described, Beneficiary may pay the same, and the amount so paid, with interest at the rate set forth in the Obligation secured hereby, shall be added to and become a part of the debt secured in this Deed of Trust.

9. **Condemnation.** In the event any portion of the property is taken or damaged in an eminent domain proceeding, the entire amount of the award or such portion as may be necessary to fully satisfy the obligation secured hereby, shall be paid to Beneficiary to be applied to said obligation. The Grantor assigns the rights to any proceeds to the Beneficiary to the extent of the amount of any unpaid balance remaining to be paid to the Beneficiary.

10. **No Waiver.** 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 for failure to so pay.

11. **Reconveyance.** The Trustee shall reconvey all or any part of the property covered by this Deed of Trust to the person entitled thereto on written request of the Grantor and the Beneficiary, or upon satisfaction of the obligation secured and written request for reconveyance made by the Beneficiary or the person entitled thereto.

12. **Acceleration/Trustee's Sale.** Upon default by Grantor in the payment of any indebtedness secured hereby or in the performance of any agreement contained herein, all sums secured hereby shall immediately become due and payable at the option of the Beneficiary. In such event and upon written request of Beneficiary, Trustee shall sell the trust property, in accordance with the Deed of Trust Act of the State of Washington, at public auction to the highest bidder. Any person except Trustee may bid at



Trustee's sale. Trustee shall apply the proceeds of the sale as follows: (1) to the expense of the sale, including a reasonable Trustee's fee and attorney's fee; (2) to the obligation secured by this Deed of Trust; (3) the surplus, if any, shall be distributed to the persons entitled thereto. To the extent permitted by law, without limitation, Beneficiary may seek and obtain a deficiency judgment following the completion of a judicial foreclosure or a trustee sale of all or a portion of the security for the obligations secured by this Deed of Trust.

13. **Trustee's Deed.** Trustee shall deliver to the purchaser at the sale its deed, without warranty, which shall convey to the purchaser the interest in the property which Grantor had or had 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 purchaser and encumbrances for value.

14. **Power of Sale.** The power of sale conferred by this Deed of Trust and by the Deed of Trust Act of the State of Washington is not an exclusive remedy; Beneficiary may cause this Deed of Trust to be foreclosed as a mortgage.

15. **Successor Trustee.** In the event of the death, incapacity, disability or resignation of Trustee, Beneficiary may appoint in writing a successor trustee, and upon the recording of such appointment in the mortgage records of the county in which this Deed of Trust is recorded, the successor trustee shall be vested with all powers of the original trustee. The trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Grantor, Trustee or Beneficiary shall be a party unless such action or proceeding is brought by the Trustee.

16. **Successors and Assigns.** This Deed of Trust applies to and 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 Obligation secured hereby, whether or not named as Beneficiary herein.

17. **Due on Sale.** If the Collateral, or any part thereof, is hereafter sold, conveyed, transferred, or further encumbered, or full possessory rights therein transferred (excluding the sale of personal property in the normal course of business), whichever event occurs first, then the Beneficiary may, at its option, declare all sums secured by this Deed of Trust immediately due and payable. This provision shall apply to each and every sale, transfer, conveyance or encumbrance regardless of whether or not Beneficiary has consented or waived their rights, whether by action or non-action, in connection with any previous sale, transfer, conveyance or encumbrance, whether one or more.

18. **Appointment of Receiver.** Upon default by Grantor in the payment of any indebtedness secured hereby or in the performance of any agreement contained herein, Beneficiary, separately or in any action to foreclose this Deed of Trust, shall be entitled (without regard to the adequacy of any security for the Obligation, the absence of waste or deterioration of the Collateral or other arguments based on equity) to the appointment of a receiver of the Rents of the Collateral who shall have, in addition to all the rights and powers customarily given to and exercised by such receiver, all the rights and powers granted to Beneficiary by the covenants contained herein. Once appointed, at Beneficiary's option, such receiver may remain in place until the default is cured.

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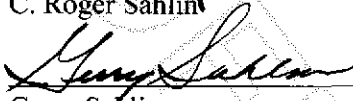
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IN WITNESS WHEREOF, Grantor has executed this instrument as of the date first written above.

GRANTOR:

  
C. Roger Sahlin

  
Gerry Sahlin

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STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF WHATCOM )

I certify that I know or have satisfactory evidence that C. Roger Sahlin 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 this 12<sup>th</sup> day of MARCH, 2014.

(SEAL/STAMP)



*Shropshire*  
NOTARY PUBLIC  
Printed Name: Steven L. Shropshire  
My Appointment Expires: 1-16-17

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF WHATCOM )

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

DATED this 12<sup>th</sup> day of MARCH, 2014.

(SEAL/STAMP)



*Shropshire*  
NOTARY PUBLIC  
Printed Name: Steven L. Shropshire  
My Appointment Expires: 1-16-17





EXHIBIT A

LEGAL DESCRIPTION

That portion of Government Lot 1 in Section 25, Township 36 North, Range 2, East W.M., described as follows:

Beginning at the meander corner of the Northwest corner of said Section 25;  
thence South 87° 33' East 351.2 feet; thence North 85 59' East 740.23 feet;  
thence South 77° 03' East 323.94 feet;  
thence South 1° 31' West 125.6 feet to the true point of beginning;  
thence South 84° 16' West to the West line of said Lot 1;  
thence South along said West line to a point 940 feet North of the Southwest corner of said lot 1;  
thence East 110.5' feet;  
thence North 8°54' East to the Government Meander line;  
thence North 76° West along said Meander line to a point North 1 °31' East of the true point of beginning;  
thence South 1° 31' West to the true point of beginning;  
EXCEPT that portion thereof, if any, lying within the boundaries of that certain tract conveyed to James T. Squires by Deed dated July 13, 1927 and recorded July 27, 1927 under Auditor's File No. 206028 in Volume 144 of Deeds, page 39.

Situated in Skagit County, Washington.

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