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Skagit County Auditor

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**AFTER RECORDING RETURN TO:**

**Private Lending Investments  
P.O. Box 891  
Burlington, WA 98233**

*Land Title and Escrow*

**DEED OF TRUST**

01-162315-0E

THIS **DEED OF TRUST**, made this 28 day of April, 2017, by and between **Alliance Construction LLC** as Grantor, whose mailing address is 608 So. 1st Street #208, Mount Vernon, Wa. 98273; **FIRST AMERICAN TITLE COMPANY**, as Trustee, whose mailing address is P.O. Box 1667, Mount Vernon, WA 98273; and **Kenneth G. & Janice S. Heidt** as Beneficiary, whose mailing address is 17703 3rd Ave. NE, Arlington, WA 98223.

WITNESSETH: Grantor, in consideration of the acceptance by Trustee of the trust hereunder, and of other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and in order to secure the payment of the indebtedness evidenced by the promissory note of even date, with interest thereon, and any other sums payable thereunder and hereunder, and to secure the performance of the obligations contained herein, grant, bargain, sell and convey to Trustee and its successors and assigns forever, in trust, with power of sale, right of entry, and possession and for the benefit of the Beneficiary, all of Grantor's estate, right, title, interest, claim and demand in the following described real property in Skagit County, Washington.

Assessor's Property Tax Parcel/Account Number(s): P64400

Legal: Lot 10, "Plat of Cheastys Big Lake Tracts, Skagit County" as per plat recorded in Volume 4 of Plats, page 49, records of Skagit County, Washington

Subject to restrictions, encumbrances, easements and conditions of record.

Including all buildings, structures and other improvements now or hereafter erected on the real property; all fixtures and trade fixtures used in association with the improvements on the real property; all personal property placed upon or used in conjunction with the real property; all

Grantor's rights as landlord in and to all existing and future leases and tenancies, whether written or oral, and any issues of profits thereof; the rights to the proceeds of sale of any of the foregoing. Which real property is not used principally for agricultural or farming purposes, together with all the tenements, hereditaments and appurtenances now or hereafter thereunto belonging or in any wise appertaining and the rents, issues and profits thereof.

This Deed of Trust is for the purpose of security performance of each agreement of Grantor herein contained, and payment of the sum of Two Hundred Sixty Thousand & no/100 (\$260,000.00) 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 term "Grantor" as used in this agreement includes the "Borrower" as defined in RCW 61.24, if the Borrower is a person or entity other than the Grantor.

To protect the security of this Deed of Trust, Grantor(s) covenant and agree:

1. To keep the property in good condition and repair; to permit no waste thereof; to complete any building, structure or improvement being built or about to be built thereon; to restore promptly any building, structure or improvement thereon which may be damaged or destroyed; and to comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting the property.
2. To pay before delinquent, all lawful taxes and assessments upon the property; to keep the property free and clear of all other charges, liens or encumbrances impairing the security of this Deed of Trust.
3. To keep all buildings now or hereafter erected on the property described herein continuously insured against loss by fire or other hazards in an amount not less than the total debt secured by this Deed of Trust. All policies shall be held by the Beneficiary, and be in such companies as the Beneficiary may approve and have loss payable first to the Beneficiary, as its interest may appear, and then to the Grantor. The amount collected under any insurance policy may be applied upon any indebtedness hereby secured in such order, as the Beneficiary shall determine. Such application by the Beneficiary shall not cause discontinuance of any proceedings to foreclose this Deed of Trust. In the event of foreclosure all rights of the Grantor in insurance policies then in force shall pass to the purchaser at the foreclosure sale.

4. To defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee, and to pay all costs and expenses, including cost of title search and attorney's fees in a reasonable amount, on any such action or proceeding and in any suit brought by Beneficiary to foreclose this Deed of Trust.
5. To pay all costs, fees and expenses in connection with this Deed of Trust, including the expenses of the Trustee incurred in enforcing the obligation secured hereby and Trustee's and attorney's fees actually incurred, as provided by statute.
6. Should Grantor fail to pay when due any taxes, assessments, insurance premiums, liens, encumbrances or other charges against the property herein above 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.
7. 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. Without limiting the generality of the foregoing, 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 the Beneficiary.
8. Lender and its agents and representatives may enter upon the Real Property at all reasonable times to attend to lender's interests and to inspect the property for purposes of Grantor's compliance with the terms and conditions of this Deed of Trust.

**IT IS MUTUALLY AGREED THAT:**

1. In the event any portion of the property is taken or damaged in an eminent domain proceeding, the entire amount of the award or such portion as may be necessary to fully satisfy the obligation secured hereby, shall be paid to Beneficiary to be applied to said obligation.
2. By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive its right to require prompt payment when due of all other sums so secured or to declare default for failure to so pay.

3. The Trustee shall reconvey all or any part of the property covered by this Deed of Trust to the person entitled thereto, on written request of the Grantor and the Beneficiary, or upon satisfaction of the obligation secured and written request for reconveyance made by the Beneficiary or the person entitled thereto.
4. Each of the following, at the option of the Beneficiary, shall constitute an event of default under this Deed of Trust:
  - a. Default in indebtedness: Failure of Grantor to make any payment when due on the indebtedness.
  - b. Default on other payments: Failure of the Grantor within the time required by this Deed of Trust to make any payment for taxes or any other payment necessary to prevent filing of or to effect discharge of any lien.
  - c. Compliance Default: Failure of Grantor to comply with any other term, obligation, covenant or condition contained in this Deed of Trust.
  - d. Defective Collateralization: This Deed of Trust ceases to be in full force and effect at any time for any reason.
  - e. Foreclosure: Commencement of foreclosure proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Grantor or by any governmental agency against any of the property described herein.
5. 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. Pursuant to RCW 62.9-501(4), if this Deed of Trust encumbers both real and personal property, the trustee is authorized to sell all or any portion of the Grantor's interest in the real and personal property at the Trustee's sale. 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.
6. Nothing herein contained shall prohibit Beneficiary from pursuing any other remedy available to it or its successor at law. Specifically, Beneficiary or Trustee shall be entitled to take possession of any property defined as security hereunder, to marshal the assets defined as security hereunder, and to the appointment of a receiver in the manner provided by law.

without regard to the sufficiency of the property or any other security for the indebtedness owed Beneficiary. Beneficiary, or Beneficiary's agent or designee, shall be entitled to act in the capacity of receiver without necessity of appointment by the court having jurisdiction, and without bond. In the event Beneficiary obtains the appointment of a receiver from a court of competent jurisdiction, Beneficiary may so act or my designate Beneficiary's agent so to act, without bond to the extent allowed by law. The cost of such receivership shall be added to and become part of the debt secured by this Deed of Trust.

7. Trustee shall deliver to the purchaser at the sale his deed, without warranty, which shall convey to the purchaser the interest in the property, which Grantor had or had the power to convey at the time of 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.
8. 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.
9. In the event of the death, incapacity, disability, resignation or election of Beneficiary to re-appoint 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 against the Beneficiary or Grantor.
10. 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.
11. This Deed of Trust is personal to the Grantor herein. In the event of the sale, lease, assignment or transfer of all or a part of the grantors interest in the real property, whether legal, beneficial or equitable, the full balance of principal and interest due on the Note secured by this Deed of Trust shall be due and payable in full.

Alliance Construction LLC

*Addison Sager*  
Addison Sager, Member

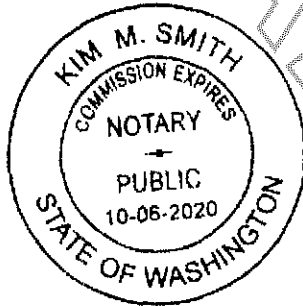
STATE OF WASHINGTON)

) SS.

COUNTY OF Spokane)

I certify that I know or have satisfactory evidence that Addison Sager to me known to be the member described in and who executed the within and foregoing instrument, and acknowledged that to me that he signed the same as his free and voluntary act and deed for the uses and purposes therein mentioned.

**SUBSCRIBED AND SWORN TO** before me by Addison Sager this 28 day of April 17, 2017.



Kim M. Smith  
NOTARY PUBLIC  
State of Washington  
My commission expires: 10-6-2020