

Return Address: Salem Luthern Church

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KATHY HILL
SKAGIT COUNTY RECORDER

'97 NOV 26 P3:47

RECORDED _____ FILED _____
REQUEST OF _____

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AUDITOR/RECORDER'S INDEXING FORM

Document Title(s):	1. Deed of Trust
Reference Number(s) of Documents assigned or released	
Grantor(s):	1. Salem Village Limited Partnership
<input type="checkbox"/> Additional names on page	_____ of document.
Grantee(s):	1. Evangelical Lutheran Salem Church of Mt. Vernon, Washington, a non-profit corporation
<input type="checkbox"/> Additional names on page	_____ of document.
Legal Description:	Portion of Lot 3, Short Plat NO. MV-9-94, Book 13, Pages 17 and 18 (abbreviated)
<input type="checkbox"/> Additional legal is on page	_____ of document.
Assessor's Property Tax Parcel/Account Number:	8-34-4 PTN G LOT 7 346408-0-013-0200 346408-0-013-0003

FIRST AMERICAN TITLE CO.

53164-2

Deed of Trust

(For Use in the State of Washington Only)

THIS DEED OF TRUST, made this 21 day of November, 1997 between Salem Village Limited Partnership, a Washington Limited Partnership, GRANTOR, whose address is ATTN: Ms. Patricia R. Burkland, 1642 Gunderson Road, Mt. Vernon, Washington 98274, FIRST AMERICAN Title Insurance Company, TRUSTEE, whose address is 1301 B Riverside Drive, Mt. Vernon, WA 98273, and Evangelical Lutheran Salem Church of Mt. Vernon, Washington, a non-profit corporation, BENEFICIARY, whose address is ATTN: Donald E. Hickok, President, 1005 South Third Street, Mt. Vernon, Washington 98273. WITNESSETH: Grantor hereby bargains, sells and conveys to Trustee in Trust, with power of sale, the following described real property in Skagit County, Washington:

SEE ATTACHED EXHIBIT A

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 is for the purpose of securing performance of each agreement of grantor herein contained, and payment of the sum of (\$186,300.00) One Hundred Eighty-Six Thousand Three Hundred Dollars 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.

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

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.

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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, in 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 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.

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. 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.

5. Trustee shall deliver to the purchaser at the sale its deed, without warranty, which shall convey to the purchaser the interest in the property which 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 encumbrancers for value.

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

7. 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.

8. 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.

9. The obligations secured by this Deed of Trust shall become due and payable upon the date of any Sale of the fee interest or any portion thereof in the real property subject to this Deed of Trust. "Sale" shall mean any sale, transfer, assignment, conveyance, contract to sell, or encumbering of the real property or any part thereof or interest therein, whether voluntary or involuntary, or the refinancing of the obligations secured by the existing deed of trust liens against the real property.

Salem Village Limited Partnership

By Salem Village, a Washington non-profit corporation,
General Partner

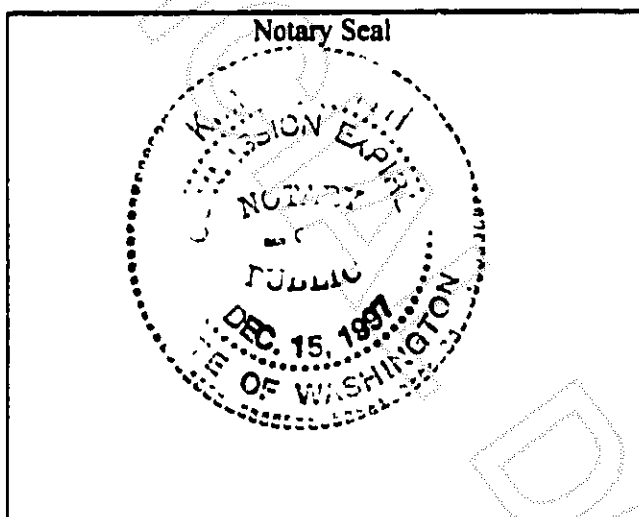
By: *William A. Burkhead*
Its *President*

STATE OF WASHINGTON)

COUNTY OF Skagit) ss.

I certify that I know or have satisfactory evidence that Patricia R. Burkland is the person who appeared before me and said person acknowledged that she signed this instrument, on oath stated that her was authorized to execute the instrument and acknowledged it as the 25 of November, 1997 to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED: November 21, 1997.



Kim M. Smith
Kim M. Smith (Print Name)
Notary Public
My appointment expires: 12/15/97

11/18/97

@GITDOCS: 11262/ Salem Village:7b14AG06.GIT dot

EXHIBIT A

The land referred to herein is situated in the County of Skagit, State of Washington, and is described as follows:

Lot 2, of Mt. Vernon Short Plat No. MV-8-94, approved July 1, 1997 and recorded July 1, 1997 under Auditor's File No. 9707010107 in Volume 13 of Short Plats, page 18, records of Skagit County, WA.

TOGETHER with that portion of Lot 3, of said Mt. Vernon Short Plat No. MV-8-94, described as follows:

Beginning at the Northeast corner of said Lot 3; thence North 87 degrees 57'29" West, along the North line of said Lot 3, a distance of 53.24 feet to an angle point in said Lot 3; thence South 21 degrees 12'42" West, along the boundary of said Lot 3, a distance of 57.20 feet; thence South 0 degrees 11'21" West, parallel with the East line of said Lot 3, a distance of 475.65 feet to a point on the North line of a 60.00-foot wide utility and access easement as shown on said short plat, said point lies North 87 degrees 57'29" West, 53.64 feet from the Southwest corner of Lot 2 of said short plat; thence South 87 degrees 57'29" East, along said North line, 53.64 feet to said Southwest corner; thence North 0 degrees 11'21" East, along said East line of Lot 3, also being the West line of said Lot 2, a distance of 229.71 feet to an angle point in said Lot 3, said angle point also being the Northwest corner of said Lot 2, thence South 87 degrees 57'29" East, along the North line of said Lot 2, a distance of 20.14 feet to an angle point in said Lot 3; thence North 0 degrees 11'21" East, along said East line of Lot 3, a distance of 300.00 feet to the POINT OF BEGINNING.

**Lot 2 and the herein described portion of Lot 3 shall be combined or aggregated. This boundary line adjustment is not for the purpose of creating a new building lot.

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