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cost  
806477

**Return Address:**

**Please Return to:**

Intercounty Clearance Corporation  
440 Ninth Avenue  
New York, NY 10001-1686



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A16184 11482-B WA Skagit

**Document Title(s)**

LEASEHOLD DEED OF TRUST, ASSIGNMENT OF LEASES AND RENTS,  
SECURITY AGREEMENT AND FIXTURE FILING

**Reference Number(s) of Documents assigned or released:**  
(on page 18 of documents)

**Grantor(s)** (Last name first, then first name and initials):

Broderick, Bruce K.  
Broderick, Carolyn A.  
1621 Freeway Drive  
Mount Vernon, WA

☐ Additional names on page \_\_\_\_ of document.

**Grantee(s)** (Last name first, then first name and initials):

Franchise Capital Services, a Division of Federated Capital Corporation  
2700 Westchester Ave.  
Purchase, New York

☐ Additional names on page \_\_\_\_ of document.

**Legal Description** (abbreviated: i.e. lot, block, plat or section, township, range)

PTN E1/2 SE1/4 AKA CASCADE MALL BINDING SITE PLAN PTN LT 5 AKA LT 5B BURL S/P 3-91 REC AF  
#9204270026 DK 12

☐ Full legal description is on page 17 of document.

**Assessor's Property Tax Parcel/Account Number**

40406-4-001-0522

## DEED OF TRUST

THIS DEED OF TRUST made the 24th day of JUNE, 1999, between Bruce K. and Carolyn A. Broderick, husband and wife, having an office at 1621 Freeway Drive, Mount Vernon, WA (hereinafter referred to as Borrower) and First American Title Company, having an office at 2101 4<sup>th</sup> Ave., Ste. 800, Seattle, WA (hereinafter referred to as Trustee) for the use and benefit of Franchise Capital Services, a division of Federated Capital Corporation, a New York corporation, having an office at 2700 Westchester Ave., Purchase, NY 10577 (hereinafter referred to as Secured Party),

### WITNESSETH:

Whereas Borrower is the owner of a leasehold estate in the premises described in Exhibit A attached hereto (hereinafter referred to as the Premises) under and pursuant to the provisions of the lease described in Exhibit A-1 attached hereto (hereinafter referred to as the Ground Lease);

NOW THEREFORE, to secure the payment of an indebtedness in the aggregate sum of Two Hundred Thousand and 00/100ths Dollars (\$200,000.00), lawful money of the United States of America, to be paid with interest and periodic charges (said indebtedness, interest, periodic charges and all other sums which may or shall become due hereunder being hereinafter collectively referred to as the Debt) according to a certain Secured Promissory Note No. 100, dated June 25, 1999, given by Borrower, through its company, Intermezzo, Inc. to Secured Party (hereinafter referred to as the Note), and a certain Master Security Agreement entered into between Intermezzo, Inc. and Secured Party (hereinafter referred to as the Security Agreement), Borrower has given, granted, bargained, sold, aliened, enfeoffed, conveyed, confirmed and assigned, and by these presents does give, grant, bargain, sell, alien, enfeoff, convey, confirm and assign unto Trustee in trust forever all right, with power of sale, all right, title and interest of Borrower now owned, or hereafter acquired, in and to the following property, rights and interests (such property, rights and interests being hereinafter collectively referred to as the Trust Property):

- (a) the Premises;
- (b) all buildings and improvements now or hereafter located on the Premises (hereinafter referred to as the Improvements);
  - (b)(1) the Ground Lease and the leasehold estate created thereunder;
  - (b)(2) all modifications, extensions and renewals of the Ground Lease and all credits, deposits, options, purchase options, privileges and rights of Borrower under the Ground Lease, including, but not limited to, the right, if any, to renew or extend the Ground Lease for a succeeding term or terms or to acquire fee title to or other interest in all or any portion of the Premises or the Improvements;
- (c) all of the estate, right, title, claim or demand of any nature whatsoever of Borrower, either in law or in equity, in possession or expectancy, in and to the Trust Property or any part thereof;
- (d) all easements, rights-of-way, gores of land, streets, ways, alleys, passages, sewer rights, waters, water courses, water rights and powers, and all estates, rights, titles, interests, privileges, liberties, tenements, hereditaments, and appurtenances of any nature whatsoever, in any way belonging, relating or pertaining to the Trust Property (including, without limitation, any and all development rights, air rights or similar or comparable rights of any nature whatsoever now or hereafter appurtenant to the Premises or now or hereafter transferred to the Premises) and all land lying in the bed of any street, road or avenue, opened or proposed, in front of or adjoining the Premises to the center line thereof;
- (e) all machinery, apparatus, equipment, fittings, fixtures and other property of every kind and nature whatsoever owned by Borrower, or in which Borrower has or shall have an interest, now or hereafter located upon the Trust Property, or appurtenances thereto, or usable in connection with the present or future operation and



occupancy of the Trust Property and all building equipment, materials and supplies of any nature whatsoever owned by Borrower, or in which Borrower has or shall have an interest, now or hereafter located upon the Trust Property (hereinafter collectively referred to as the Equipment), and the right, title and interest of Borrower in and to any of the Equipment which may be subject to any security agreements (as defined in the Uniform Commercial Code of the State in which the Premises are located), superior in lien to the lien of this Deed of Trust;

(f) all awards or payments, including interest thereon, and the right to receive the same, which may be made with respect to the Trust Property, whether from the exercise of the right of eminent domain (including any transfer made in lieu of the exercise of said right), or for any other injury to or decrease in the value of the Trust Property;

(g) all leases and other agreements (other than the Ground Lease) affecting the use or occupancy of the Trust Property now or hereafter entered into (hereinafter referred to as the Leases) and the right to receive and apply the rents, issues and profits of the Trust Property (hereinafter referred to as the Rents) to the payment of the Debt;

(h) all proceeds of and any unearned premiums on any insurance policies (collectively, hereinafter referred to as the Policies) covering the Trust Property, including, without limitation, the right to receive and apply the proceeds of any insurance, judgments, or settlements made in lieu thereof, for damage to the Trust Property;

(i) the right, in the name and on behalf of Borrower, to appear in and defend any action or proceeding brought with respect to the Trust Property and to commence any action or proceeding to protect the interest of Secured Party in the Trust Property; and

(j) all proceeds of each of the foregoing.

TO HAVE AND TO HOLD the above granted and described Trust Property unto and to the proper use and benefit of Trustee, and the successors and assigns of Trustee, forever;

IN TRUST, to secure the payment to Secured Party of the Debt at the time and in the manner provided for its payment in the Note and in this Deed of Trust;

AND Borrower covenants and agrees with and represents and warrants to Trustee and Secured Party as follows:

1. Payment of Debt. Fixture Filing. Borrower will pay the Debt at the time and in the manner provided for its payment in the Note, the Security Agreement and in this Deed of Trust. This Deed of Trust constitutes a financing statement filed as a fixture filing in the Official Records of the County in which the Premises is located with respect to any and all fixtures included within the term "Trust Property" as used herein and with respect to any goods or other personal property that may now or hereafter become such fixtures.

2. Warranty of Title. Borrower warrants the title to the Premises, the Improvements, the Equipment, the Ground Lease and the balance of the Trust Property. In addition, Borrower represents and warrants that (i) the Ground Lease is in full force and effect and has not been modified in any manner whatsoever, (ii) there are no defaults under the Ground Lease and no event has occurred, which but for the passage of time, or notice, or both, would constitute a default under the Ground Lease, (iii) all rents, additional rents and other sums due and payable under the Ground Lease have been paid in full, and (iv) no action has commenced and no notice has been given or received for the purpose of terminating the Ground Lease.

3. Insurance. Borrower shall keep the Trust Property insured in accordance with the provisions of the Security Agreement. Sums paid to Secured Party by any insurer may be retained and applied by Secured Party toward payment of the Debt whether or not then due and payable in such order, priority and proportions as Secured Party in its discretion shall deem proper or, at the discretion of Secured Party, the same may be paid, either in whole or in part, to Borrower for such purposes as Secured Party shall designate. If Secured Party shall receive and retain such insurance proceeds,



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the lien of this Deed of Trust shall be reduced only by the amount thereof received and retained by Secured Party and actually applied by Secured Party in reduction of the Debt.

4. Payment of Taxes, etc. Borrower shall pay all taxes, assessments, water rates, sewer rents, utility charges and other charges, including vault charges and license fees for the use of vaults, chutes and similar areas adjoining the Premises, now or hereafter levied or assessed against the Trust Property (hereinafter referred to as the Taxes) prior to the date upon which any fine, penalty, interest or cost may be added thereto or imposed by law for the nonpayment thereof. Borrower shall deliver to Secured Party, upon request, receipted bills, cancelled checks and other evidence satisfactory to Secured Party evidencing the payment of the Taxes prior to the date upon which any fine, penalty, interest or cost may be added thereto or imposed by law for the nonpayment thereof.

5. Condemnation. Notwithstanding any taking by any public or quasi-public authority through eminent domain or otherwise, Borrower shall continue to pay the Debt at the time and in the manner provided for its payment in the Note, the Security Agreement and this Deed of Trust and the Debt shall not be reduced until any award or payment therefor shall have been actually received and applied by Secured Party to the discharge of the Debt. Secured Party may apply the entire amount of any such award or payment to the discharge of the Debt whether or not then due and payable in such order, priority and proportions as Secured Party in its discretion shall deem proper. If the Trust Property is sold, through foreclosure or otherwise, prior to the receipt by Secured Party of such award or payment, Secured Party shall have the right, whether or not a deficiency judgment on the Note shall have been sought, recovered or denied, to receive such award or payment, or a portion thereof sufficient to pay the Debt, whichever is less. Borrower shall file and prosecute its claim or claims for any such award or payment in good faith and with due diligence and cause the same to be collected and paid over to Secured Party. Borrower hereby irrevocably authorizes and empowers Secured Party and Trustee, in the name of Borrower or otherwise, to collect and receipt for any such award or payment and to file and prosecute such claim or claims. Although it is hereby expressly agreed that the same shall not be necessary in any event, Borrower shall, upon demand of Secured Party, make, execute and deliver any and all assignments and other instruments sufficient for the purpose of assigning any such award or payment to Secured Party and Trustee, free and clear of any encumbrances of any kind or nature whatsoever.

6. Leases and Rents. Borrower hereby assigns to Beneficiary and grants to Beneficiary a security interest in all Lease and Rents as security for performance of all obligations secured by this Deed of Trust. As long as there shall exist no default by Borrower hereunder or under the Note or any of the Loan Documents, Borrower shall have the right under a license granted hereby (but limited as provided herein) to collect, but not prior to accrual, all of the Rents arising from or out of said Leases or any renewals, extensions and replacements thereof, or from or out of the Property or any part thereof. The right of Borrower to collect the Rents may be revoked by Secured Party upon any default by Borrower under the terms of the Note, any of the Loan Documents or this Deed of Trust by giving notice of such revocation to Borrower. Following such notice Secured Party or Trustee may retain and apply the Rents toward payment of the Debt in such order, priority and proportions as Secured Party, in its discretion, shall deem proper, or to the operation, maintenance and repair of the Trust Property, and irrespective of whether Secured Party or Trustee shall have commenced a foreclosure of this Deed of Trust or a sale of the Trust Property pursuant to the provisions of this Deed of Trust or shall have applied or arranged for the appointment of a receiver. Borrower shall not, without the consent of Secured Party, make, or suffer to be made, any Leases or modify or cancel any Leases or accept prepayments of installments of the Rents or further assign the whole or any part of the Rents. Borrower shall (a) fulfill or perform each and every provision of the Leases on the part of Borrower to be fulfilled or performed, (b) promptly send copies of all notices of default which Borrower shall send or receive under the Leases to Secured Party, and (c) enforce, short of termination of the Leases, the performance or observance of the provisions thereof by the tenants thereunder. In addition to the rights which Secured Party may have herein, in the event of any default under this Deed of Trust, Secured Party, at its option, may require Borrower to pay monthly in advance to Secured Party, Trustee or any receiver appointed to collect the Rents, the fair and reasonable rental value for the use and occupation of such part of the Trust Property as may be in possession of Borrower. Upon default in any such payment, Borrower will vacate and surrender possession of the Trust Property to Secured Party, Trustee or to such receiver and, in default thereof, Borrower may be evicted by summary proceedings or otherwise. Nothing contained in this paragraph shall be construed as imposing on Secured Party or Trustee any of the obligations of the lessor under the Leases. Upon the conveyance by Borrower and its successors and assigns of Borrower's interest in the Trust Property, all right, title, interest and powers granted under the license aforesaid shall automatically pass to and be exercised by each subsequent owner.



7. Use and Maintenance of the Trust Property: Commercial Loan. The Trust Property is not used principally for agricultural purposes. The loan evidenced by the Note is not made primarily for personal, family or household purposes.

Borrower shall cause the Trust Property to be maintained in good condition and repair and will not commit or suffer to be committed any waste of the Trust Property. The Improvements and the Equipment shall not be removed, demolished or materially altered (except for normal replacement of the Equipment), without the consent of Secured Party. Borrower shall promptly comply with all existing and future governmental laws, orders, ordinances, rules and regulations affecting the Trust Property, or any portion thereof or the use thereof. Borrower shall promptly repair, replace or rebuild all or any part of the Trust Property which may be damaged or destroyed by fire or other property hazard or casualty (including any fire or other property hazard or casualty for which insurance was not obtained or obtainable) or which may be affected by any taking by any public or quasi-public authority through eminent domain or otherwise, and shall complete and pay for, within a reasonable time, any structure at any time in the process of construction or repair on the Premises. If such fire or other property hazard or casualty shall be covered by the Policies, Borrower's obligation to repair, replace or rebuild such portion of the Trust Property shall be contingent upon Secured Party paying Borrower the proceeds of the Policies, or such portion thereof as shall be sufficient to complete such repair, replacement or rebuilding, whichever is less. Borrower will not, without obtaining the prior consent of Secured Party, initiate, join in or consent to any private restrictive covenant, zoning ordinance, or other public or private restrictions, limiting or affecting the uses which may be made of the Trust Property or any part thereof.

8. Environmental Provisions.

- (a) For the purposes of this paragraph the following terms shall have the following meanings: (i) the term "Hazardous Material" shall mean any material or substance that, whether by its nature or use, is now or hereafter defined as a hazardous waste, hazardous substance, pollutant or contaminant under any Environmental Requirement, or which is toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic or otherwise hazardous and which is now or hereafter regulated under any Environmental Requirement, or which is or contains petroleum, gasoline, diesel fuel or another petroleum hydrocarbon product, (ii) the term "Environmental Requirements" shall collectively mean all present and future laws, statutes, ordinances, rules, regulations, orders, codes, licenses, permits, decrees, judgments, directives or the equivalent of or by any Governmental Authority and relating to or addressing the protection of the environment or human health, and (iii) the term "Governmental Authority" shall mean the Federal government, or any state or other political subdivision thereof, or any agency, court or body of the Federal government, any state or other political subdivision thereof, exercising executive, legislative, judicial, regulatory or administrative functions.
- (b) Borrower hereby represents and warrants to Secured Party that to the best of Borrower's knowledge after diligent inquiry (i) no Hazardous Material is currently located at, on, in, under or about the Trust Property, (ii) no Hazardous Material is currently located at, in, on, under or about the Trust Property in a manner which violates any Environmental Requirement, or which requires cleanup or corrective action of any kind under any Environmental Requirement, (iii) no releasing, emitting, discharging, leaching, dumping or disposing of any Hazardous Material from the Trust Property onto or into any other property or from any other property onto or into the Trust Property has occurred or is occurring in violation of any Environmental Requirement, (iv) no notice of violation, lien, complaint, suit, order or other notice with respect to the Trust Property is presently outstanding under any Environmental Requirement, and (v) the Trust Property and the operation thereof are in full compliance with all Environmental Requirements. Borrower shall comply, and shall cause all tenants or other occupants of the Trust Property to comply, in all respects with all Environmental Requirements, and will not generate, store, handle, process, dispose of or otherwise use, and will not permit any tenant or other occupant of the Trust Property to generate, store, handle, process, dispose of or otherwise use, Hazardous Materials at, in, on, under or about the Trust Property in a manner that could lead or potentially lead to the imposition on Borrower, Secured Party or the Trust Property of any liability or lien of any nature whatsoever under any Environmental Requirement.



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- (c) Borrower shall notify Secured Party promptly in the event of any spill or other release of any Hazardous Material at, in, on, under or about the Trust Property which is required to be reported to a Governmental Authority under any Environmental Requirement, will promptly forward to Secured Party copies of any notices received by Borrower relating to alleged violations of any Environmental Requirement and will promptly pay when due any fine or assessment against Secured Party, Borrower or the Trust Property relating to any Environmental Requirement. If at any time it is determined that the operation or use of the Trust Property violates any applicable Environmental Requirement or that there are Hazardous Materials located at, in, on, under or about the Trust Property which, under any Environmental Requirement, require special handling in collection, storage, treatment or disposal, or any other form of cleanup or corrective action, Borrower shall, within thirty (30) days after receipt of notice thereof from any Governmental Authority or from Secured Party, take, at its sole cost and expense, such actions as may be necessary to fully comply in all respects with all Environmental Requirements, provided, however, that if such compliance cannot reasonably be completed within such thirty (30) day period, Borrower shall commence such necessary action within such thirty (30) day period and shall thereafter diligently and expeditiously proceed to fully comply in all respects and in a timely fashion with all Environmental Requirements.
- (d) If Borrower fails to timely take, or to diligently and expeditiously proceed to complete in a timely fashion, any such action, Secured Party may, in its sole and absolute discretion, make advances or payments towards the performance or satisfaction of the same, but shall in no event be under any obligation to do so. All sums so advanced or paid by Secured Party (including, without limitation, counsel and consultant fees and expenses, investigation and laboratory fees and expenses, and fines or other penalty payments) and all sums advanced or paid in connection with any judicial or administrative investigation or proceeding relating thereto, will immediately, upon demand, become due and payable from Borrower and shall bear interest at the Default Rate (as hereinafter defined) from the date any such sums are so advanced or paid by Secured Party until the date any such sums are repaid by Borrower to Secured Party. Borrower will execute and deliver, promptly upon request, such instruments as Secured Party may deem useful or necessary to permit Secured Party to take any such action, and such additional notes and mortgages, as Secured Party may require to secure all sums so advanced or paid by Secured Party. If a lien is filed against the Trust Property by any Governmental Authority resulting from the need to expend or the actual expending of monies arising from an action or omission, whether intentional or unintentional, of Borrower or for which Borrower is responsible, resulting in the releasing, spilling, leaking, leaching, pumping, emitting, pouring, emptying or dumping of any Hazardous Material into the waters or onto land located within or without the State where the Trust Property is located, then Borrower will, within thirty (30) days from the date that Borrower is first given notice that such lien has been placed against the Trust Property (or within such shorter period of time as may be specified by Secured Party if such Governmental Authority has commenced steps to cause the Trust Property to be sold pursuant to such lien) either (a) pay the claim and remove the lien, or (b) furnish a cash deposit, bond, or such other security with respect thereto as is satisfactory in all respects to Secured Party and is sufficient to effect a complete discharge of such lien on the Trust Property.
- (e) Secured Party may, at its option, at intervals of not less than one year, or more frequently if Secured Party reasonably believes that a Hazardous Material or other environmental condition violates or threatens to violate any Environmental Requirement, cause an environmental audit of the Trust Property or portions thereof to be conducted to confirm Borrower's compliance with the provisions of this paragraph, and Borrower shall cooperate in all reasonable ways with Secured Party in connection with any such audit. If such audit discloses that a violation of an Environmental Requirement exists, Borrower shall pay all costs and expenses incurred in connection with such audit, otherwise, the costs and expenses of such audit shall, notwithstanding anything to the contrary set forth in this paragraph, be paid by Secured Party.
- (f) If this Deed of Trust is foreclosed, or if the Trust Property is sold pursuant to the provisions of this Deed of Trust, or if Borrower tenders a deed or assignment in lieu of foreclosure or sale, Borrower shall deliver the Trust Property to the purchaser at foreclosure or sale or to Secured Party, its nominee, or wholly owned subsidiary, as the case may be, in a condition that complies in all respects with all Environmental Requirements.



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(g) Borrower will defend, indemnify, and hold harmless Secured Party, its employees, agents, officers, and directors, from and against any and all claims, demands, penalties, causes of action, fines, liabilities, settlements, damages, costs, or expenses of whatever kind or nature, known or unknown, foreseen or unforeseen, contingent or otherwise (including, without limitation, counsel and consultant fees and expenses, investigation and laboratory fees and expenses, court costs, and litigation expenses) arising out of, or in any way related to, (i) any breach by Borrower of any of the provisions of this paragraph, (ii) the presence, disposal, spillage, discharge, emission, leakage, release, or threatened release of any Hazardous Material which is at, in, on, under, about, from or affecting the Trust Property, including, without limitation, any damage or injury resulting from any such Hazardous Material to or affecting the Trust Property or the soil, water, air, vegetation, buildings, personal property, persons or animals located on the Trust Property or on any other property or otherwise, (iii) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to any such Hazardous Material, (iv) any lawsuit brought or threatened, settlement reached, or order or directive of or by any Governmental Authority relating to such Hazardous Material, or (v) any violation of any Environmental Requirement. The aforesaid indemnification shall, notwithstanding any exculpatory or other provision of any nature whatsoever to the contrary set forth in the Note, this Deed of Trust or any other document or instrument now or hereafter executed and delivered in connection with the loan evidenced by the Note and secured by this Deed of Trust, constitute the personal recourse undertakings, obligations and liabilities of Borrower. The aforesaid indemnification shall not be applicable to any claim, demand, penalty, cause of action, fine, liability, settlement, damage, cost or other expense of any type whatsoever (i) occasioned, arising and caused solely and directly as the result of the gross negligence or willful misconduct of Secured Party, its nominee or wholly owned subsidiary or their respective employees or agents and irrespective of whether occurring prior or subsequent to the date upon which Secured Party, its nominee or wholly owned subsidiary acquires possession of the Trust Property by foreclosure of this Deed of Trust, a sale of the Trust Property pursuant to the provisions of this Deed of Trust, acceptance of a deed or assignment in lieu of foreclosure or sale or otherwise, or (ii) occasioned, arising and caused solely and directly as the result of any act of any person or party (other than an act of Borrower, its employees or agents or persons or parties under the control of Borrower, or an act of Secured Party, its nominee or wholly owned subsidiary or their respective employees or agents which does not constitute negligence or willful misconduct, or an act of any Governmental Authority, including, without limitation, any change in any Environmental Requirement) and occurring subsequent to the earlier to occur of (x) the date of payment to Secured Party in cash of the entire Debt, and (y) the date upon which Secured Party, its nominee or wholly owned subsidiary acquires possession of the Trust Property by foreclosure of this Deed of Trust, a sale of the Trust Property pursuant to the provisions of this Deed of Trust, acceptance of a deed or assignment in lieu of foreclosure or sale or otherwise. Except as hereinabove specifically provided to the contrary in this paragraph, the obligations and liabilities of Borrower under this paragraph shall survive and continue in full force and effect and shall not be terminated, discharged or released, in whole or in part, irrespective of whether the Debt has been paid in full and irrespective of any foreclosure of this Deed of Trust, sale of the Trust Property pursuant to the provisions of this Deed of Trust or acceptance by Secured Party, its nominee or wholly owned subsidiary of a deed or assignment in lieu of foreclosure or sale and irrespective of any other fact or circumstance of any nature whatsoever. This Deed of Trust does not secure and shall not be construed as securing any obligation of Borrower under the Environmental Indemnity Agreement of even date herewith made by Borrower.

9. Estoppel Certificates. Borrower, within ten (10) days after request by Secured Party and at its expense, will furnish Secured Party with a statement, duly acknowledged and certified, setting forth the amount of the Debt and the offsets or defenses thereto, if any.

10. Transfer or Encumbrance of the Trust Property. No part of the Trust Property nor any interest of any nature whatsoever therein nor any interest of any nature whatsoever in Borrower (whether partnership, stock, equity, beneficial, profit, loss or otherwise) shall in any manner be further encumbered, sold, transferred, assigned or conveyed, or permitted to be further encumbered, sold, transferred, assigned or conveyed without the prior consent of Secured Party, which consent in any and all circumstances may be withheld in the sole and absolute discretion of Secured Party. The provisions of the foregoing sentence of this paragraph shall apply to each and every such further encumbrance, sale, transfer, assignment or conveyance, regardless of whether or not Secured Party has consented to, or waived by its action



or inaction its rights hereunder with respect to, any such previous further encumbrance, sale, transfer, assignment or conveyance, and irrespective of whether such further encumbrance, sale, transfer, assignment or conveyance is voluntary, by reason of operation of law or is otherwise made.

11. Notice. Any notice, request, demand, statement, authorization, approval or consent made hereunder shall be in writing and shall be sent in the manner specified in the Security Agreement.

12. Changes in Laws Regarding Taxation. In the event of the passage after the date of this Deed of Trust of any law of the State in which the Premises are located deducting from the value of real property for the purpose of taxation any lien or encumbrance thereon or changing in any way the laws for the taxation of deeds of trusts or debts secured by deeds of trust for state or local purposes or the manner of the collection of any such taxes, and imposing a tax, either directly or indirectly, on this Deed of Trust, the Note or the Debt, Borrower shall, if permitted by law, pay any tax imposed as a result of any such law within the statutory period or within fifteen (15) days after demand by Secured Party, whichever is less, provided, however, that if, in the opinion of the attorneys for Secured Party, Borrower is not permitted by law to pay such taxes, Secured Party shall have the right, at its option, to declare the Debt due and payable on a date specified in a prior notice to Borrower of not less than thirty (30) days.

13. No Credits on Account of the Debt. Borrower will not claim or demand or be entitled to any credit or credits on account of the Debt for any part of the Taxes assessed against the Trust Property or any part thereof and no deduction shall otherwise be made or claimed from the taxable value of the Trust Property, or any part thereof, by reason of this Deed of Trust or the Debt.

14. Documentary Stamps. If at any time the United States of America, any state thereof, or any governmental subdivision of any such state, shall require revenue or other stamps to be affixed to the Note or this Deed of Trust, Borrower will pay for the same, with interest and penalties thereon, if any.

14 A. The Ground Lease. Borrower shall (i) pay all rents, additional rents and other sums required to be paid by Borrower as ground lessee under and pursuant to the provisions of the Ground Lease, (ii) diligently perform and observe all of the terms, covenants and conditions of the Ground Lease on the part of Borrower, as ground lessee thereunder, to be performed and observed, unless such performance or observance shall be waived or not required in writing by the ground lessor under the Ground Lease, to the end that all things shall be done which are necessary to keep unimpaired the rights of Borrower, as ground lessee, under the Ground Lease, and (iii) promptly notify Secured Party of the giving of any notice by the ground lessor under the Ground Lease to Borrower of any default by Borrower in the performance or observance of any of the terms, covenants or conditions of the Ground Lease on the part of Borrower, as ground lessee thereunder, to be performed or observed and deliver to Secured Party a true copy of each such notice. Borrower shall not, without the prior consent of Secured Party, surrender the leasehold estate created by the Ground Lease or terminate or cancel the Ground Lease or modify, change, supplement, alter or amend the Ground Lease, in any respect, either orally or in writing, and Borrower hereby assigns to Secured Party, as further security for the payment of the Debt and for the performance and observance of the terms, covenants and conditions of this Deed of Trust, all of the rights, privileges and prerogatives of Borrower, as ground lessee under the Ground Lease, to surrender the leasehold estate created by the Ground Lease or to terminate, cancel, modify, change, supplement, alter or amend the Ground Lease, and any such surrender of the leasehold estate created by the Ground Lease or termination, cancellation, modification, change, supplement, alteration or amendment of the Ground Lease without the prior consent of Secured Party shall be void and of no force and effect. If Borrower shall default in the performance or observance of any term, covenant or condition of the Ground Lease on the part of Borrower, as ground lessee thereunder, to be performed or observed, then, without limiting the generality of the other provisions of this Deed of Trust, and without waiving or releasing Borrower from any of its obligations hereunder, Secured Party shall have the right, but shall be under no obligation, to pay any sums and to perform any act or take any action as may be appropriate to cause all of the terms, covenants and conditions of the Ground Lease on the part of Borrower, as ground lessee thereunder, to be performed or observed to be promptly performed or observed on behalf of Borrower, to the end that the rights of Borrower in, to and under the Ground Lease shall be kept unimpaired and free from default. If Secured Party shall make any payment or perform any act or take action in accordance with the preceding sentence, Secured Party will notify Borrower of the making of any such





payment, the performance of any such act, or the taking of any such action. In any such event, subject to the rights of lessees and other occupants under the Leases, Secured Party and any person designated by Secured Party shall have, and are hereby granted, the right to enter upon the Trust Property at any time and from time to time for the purpose of taking any such action. If the ground lessor under the Ground Lease shall deliver to Secured Party a copy of any notice of default sent by said ground lessor to Borrower, as ground lessee under the Ground Lease, such notice shall constitute full protection to Secured Party for any action taken or omitted to be taken by Secured Party, in good faith, in reliance thereon. Borrower shall, from time to time, obtain from the ground lessor under the Ground Lease such certificates of estoppel with respect to compliance by Borrower with the terms of the Ground Lease as may be requested by Secured Party. Borrower shall exercise each individual option, if any, to extend or renew the term of the Ground Lease upon demand by Secured Party made at any time within one (1) year of the last day upon which any such option may be exercised, and Borrower hereby expressly authorizes and appoints Secured Party its attorney-in-fact to exercise, either jointly or individually, any such option in the name of and upon behalf of Borrower, which power of attorney shall be irrevocable and shall be deemed to be coupled with an interest.

14B. No Merger of Fee and Leasehold Estates. So long as any portion of the Debt shall remain unpaid, unless Secured Party shall otherwise consent, the fee title to the Premises and the leasehold estate therein created pursuant to the provisions of the Ground Lease shall not merge, but shall always be kept separate and distinct, notwithstanding the union of such estates in Borrower or in any other person, by purchase, operation of law or otherwise. If Secured Party shall acquire the fee title to the Premises and the leasehold estate therein created pursuant to the provisions of the Ground Lease by foreclosure of this Deed of Trust or sale of the Trust Property pursuant to this Deed of Trust or otherwise, such estates shall not merge as a result of such acquisition and shall remain separate and distinct for all purposes after such acquisition unless and until Secured Party shall elect to merge such estates.

14C. Borrower Acquisition of Fee Estate. So long as any portion of the Debt remains unpaid, unless Secured Party shall otherwise consent, if Borrower shall acquire fee title to the Premises the lien of this Deed of Trust shall be spread to cover the fee estate and said fee estate shall be deemed to be included within the definition of the Trust Property. Borrower shall, at its sole cost and expense, execute such instruments as Secured Party deems useful or necessary to subject the fee estate to the lien of this Deed of Trust.

14D. Ground Lessor Bankruptcy. Upon the filing by or against ground lessor of a petition pursuant to Title 11 of the United States Code as now constituted or hereafter amended or under any other applicable Federal or state bankruptcy law or other similar law (hereinafter referred to as the Bankruptcy Code), and the subsequent rejection of the Ground Lease by the ground lessor, Borrower shall not, without the prior written consent of Secured Party, (i) elect to treat the Ground Lease as terminated pursuant to Section 365(h)(1) of the Bankruptcy Code, or (ii) pursuant to Section 365(h)(2) of the Bankruptcy Code, offset against the rents reserved under the Ground Lease the amount of any damages caused by the Ground lessor's rejection of the Ground Lease. Borrower shall promptly, and so as to be received prior to all hearing dates, return dates or other deadlines, send to Secured Party copies of all notices, summonses, pleadings, applications and other documents received by Borrower in connection with such petition or proceeding by ground lessor.

15. Performance of Other Agreements. Borrower shall observe and perform each and every term to be observed or performed by Borrower pursuant to the terms of any agreement or recorded instrument affecting or pertaining to the Trust Property.

16. Events of Default. The Debt shall become due at the option of Secured Party upon the occurrence of any one or more of the following events (herein collectively referred to as Events of Default):

- (a) if an Event of Default, as defined in the Security Agreement, shall occur;
- (b) if Borrower shall fail to pay within twenty (20) days of notice and demand by Secured Party, any installment of any assessment against the Trust Property for local improvements heretofore or hereafter laid, which assessment is or may become payable in annual or periodic installments and is or may become a lien on the Trust Property, notwithstanding the fact that such installment may not be due and payable at the time of such notice and demand;



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(c) if without the consent of Secured Party any Leases are made, cancelled or modified or if any portion of the Rents is paid for a period of more than one (1) month in advance or if any of the Rents are further assigned;

(c)(1) if Borrower shall default in the observance or performance of any term, covenant or condition of the Ground Lease on the part of Borrower, as ground lessee thereunder, to be observed or performed, unless any such observance or performance shall have been waived or not required in writing by the ground lessor under the Ground Lease, or if any one or more of the events referred to in the Ground Lease shall occur which would or may cause the Ground Lease to terminate without notice or action by the ground lessor thereunder or which would entitle the ground lessor under the Ground Lease to terminate the Ground Lease and the term thereof by giving notice to Borrower, as ground lessee thereunder, or if the leasehold estate created by the Ground Lease shall be surrendered, in whole or in part, or if the Ground Lease shall be terminated or cancelled for any reason or under any circumstance whatsoever, or if any of the terms, covenants or conditions of the Ground Lease shall in any manner be modified, changed, supplemented, altered or amended without the consent of Secured Party;

(d) if Borrower or other person shall be in default under any deed of trust or mortgage covering any part of the Trust Property whether superior or inferior in lien to this Deed of Trust, and including, without limitation, any such deed of trust or mortgage now or hereafter held by Secured Party; or

(e) if the Trust Property shall become subject (i) to any tax lien, other than a lien for local real estate taxes and assessments not due and payable, or (ii) to any lis pendens, notice of pendency, stop order, notice of intention to file mechanic's or materialman's lien, mechanic's or materialman's lien or other lien of any nature whatsoever and the same shall not either be discharged of record or in the alternative insured over to the satisfaction of Secured Party by the title company insuring the lien of this Deed of Trust within a period of thirty (30) days after the same is filed or recorded, and irrespective of whether the same is superior or subordinate in lien or other priority to the lien of this Deed of Trust and irrespective of whether the same constitutes a perfected or inchoate lien or encumbrance on the Trust Property or is only a matter of record or notice; or

(f) if an Event of Default shall occur under any deed of trust or mortgage now or hereafter entered into by Borrower or an affiliate of Borrower in favor of Secured Party.

17. Right to Cure Defaults. If default in the performance of any of the covenants of Borrower herein occurs, Secured Party or Trustee may, at their discretion, remedy the same and for such purpose shall have the right to enter upon the Trust Property or any portion thereof without thereby becoming liable to Borrower or any person in possession thereof holding under Borrower. If Secured Party or Trustee shall remedy such a default or appear in, defend, or bring any action or proceeding to protect their interest in the Trust Property or to foreclose this Deed of Trust or to sell the Trust Property pursuant to the provisions of this Deed of Trust or to collect the Debt, the costs and expenses thereof (including reasonable attorneys' fees to the extent permitted by law), with interest as provided in this paragraph, shall be paid by Borrower to Secured Party upon demand and shall constitute part of the Debt secured by this Deed of Trust. All such costs and expenses incurred by Secured Party or Trustee in remedying such default or in appearing in, defending, or bringing any such action or proceeding shall be paid by Borrower to Secured Party upon demand, with interest accruing at the Default Rate, as defined in the Security Agreement.

18. Rights and Remedies on Default. Upon the occurrence of any event of default and at any time thereafter, Beneficiary may exercise any one or more of the following rights and remedies:

- (a) The right at its option by notice to Borrower to declare the entire indebtedness secured hereby immediately due and payable.
- (b) With respect to all or any part of the Trust Property, the right to foreclose by judicial foreclosure in accordance with applicable law.
- (c) The right to have Trustee sell the Trust Property in accordance with the Deed of Trust Act of Washington and the Uniform Commercial Code of Washington where applicable, at public auction to the highest bidder. Any



person except Trustee may bid at the Trustee's sale. The power of sale conferred by this deed of Trust and the law is not an exclusive remedy and when not exercised, Beneficiary may foreclose this Deed of Trust as a mortgage. Trustee is not obligated to notify any party hereto of a pending sale under any other deed of trust or of any action or proceeding which Borrower, Trustee, or Beneficiary shall be a party, unless such action or proceeding is brought by Trustee.

- (d) With respect to all or any part of the Trust Property that constitutes personalty, the right and remedies of a secured party under the Uniform Commercial Code of Washington.
- (e) The right, without notice to Borrower, to terminate the license granted to Borrower to collect the Rents without taking possession, and to demand, collect, receive, sue for, attach and levy against the Rents in Beneficiary's name; to give property receipts, releases and acquittances therefor; and after deducting all necessary and property costs and expenses of operation and collection as determined by Beneficiary, including reasonable attorney fees, to apply the net proceeds thereof, together with any funds of Borrower deposited with Beneficiary, upon any indebtedness secured hereby and in such order as Beneficiary may determine. In furtherance of this right, Beneficiary may require any tenant or other user to make payments of rent or use fees directly to Beneficiary, and payments by such tenant or user to Beneficiary in response to its demand shall satisfy the obligation for which the payments are made, whether or not any proper grounds for the demand existed.
- (f) The right to have a receiver appointed to take possession of any or all of the Trust Property, with the power to protect and preserve the Trust Property and to operate the Trust Property preceding foreclosure or sale and apply the proceeds, over and above the cost of the receivership, against the indebtedness secured hereby. The receiver may serve without bond if permitted by law. Beneficiary's right to the appointment of a receiver shall exist whether or not apparent value of the Trust Property exceeds the indebtedness by a substantial amount. Borrower hereby irrevocably consents to the appointment of a receiver on the terms set forth herein. Employment by Beneficiary shall not disqualify a person from serving as receiver. Upon taking possession of all or any part of the Trust Property, the receiver may:
  - 1) Use, operate, manage, control and conduct business on the Trust Property.
  - 2) Make expenditure for all maintenance, renewals, replacements, alterations, additions, and improvements to the Trust Property as in its judgment are proper;
  - 3) Insure and reinsure the Trust Property and all risks incidental to the possession, operation, and management of the Trust Property;;
  - 4) Collect the Rents and any other revenues and income from the Trust Property and apply such sums to the expenses of use, operation, and management in such priority as the receiver deems appropriate. Borrower shall promptly turn over to the receiver all documents, books, records, papers, and accounts, together with the amount of any deposits, rentals, and use fees from any tenant or other user. The receiver may appear in any proceeding or bring suit on Borrower's behalf, as necessary to enforce obligations of any tenant or other user, including actions for the recovery of rent and actions in forcible detainer;
  - 5) Cancel or terminate any Lease or agreement for any cause for which Borrower would be entitled to cancel the same;
  - 6) Extend or modify any Lease and made any new Lease on any portion of the Trust Property. Any such instruments shall be binding upon Borrower and all persons whose interests in the Trust Property are subordinate to this Deed of Trust, and upon the purchaser or purchasers at any foreclosure sale, notwithstanding any redemption from sale, discharge, or indebtedness, satisfaction of the foreclosure decree or issuance of any certificate of sale or deed to any purchaser;



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- 7) Complete any construction in progress on the Property, and in that connection, pay bills, borrow funds, employ contractors, and make any changes in plans or specifications as the receiver deems appropriate; or
- 8) If the revenues and income are insufficient to pay expenses, the receiver may borrow such sums as the receiver deems necessary for the purposes stated in this paragraph. The amounts borrowed shall bear interest from the date of expenditure until repaid at the greater of the same rate per annum as is provided for in the loan documents or the highest rate allowed by applicable law. Such sums shall become a part of the balance secured by this Deed of Trust and shall be payable by Borrower on demand.
- (g) The right to obtain a deficiency judgment (I) after the Trustees sale to the full extent permitted by RCW 61.24.100 and (ii) after foreclosure of this Deed of Trust as a mortgage to the full extent permitted by applicable law.
- (h) Any other right or remedy provided in this Deed of Trust, the Note, any other Loan Documents, or under law.

19. Appointment of Receiver. Secured Party or Trustee, upon the actual or threatened waste to any part of the Trust Property or upon the occurrence of any default hereunder, shall be at liberty, without notice, to apply for the appointment of a receiver of the Rents, and shall be entitled to the appointment of such receiver as a matter of right, without regard to the value of the Trust Property as security for the Debt, or the solvency or insolvency of any person then liable for the payment of the Debt.

20. Non-Waiver. The failure of Secured Party or Trustee to insist upon strict performance of any term of this Deed of Trust shall not be deemed to be a waiver of any term of this Deed of Trust. Borrower shall not be relieved of Borrower's obligation to pay the Debt at the time and in the manner provided for its payment in the Note, the Security Agreement and this Deed of Trust by reason of (i) failure of Secured Party or Trustee to comply with any request of Borrower to take any action to foreclose this Deed of Trust or sell the Trust Property pursuant to the provisions of this Deed of Trust or otherwise enforce any of the provisions hereof or of the Note or any other deed of trust, mortgage, instrument or document evidencing, securing or guaranteeing payment of the Debt or any portion thereof, (ii) the release, regardless of consideration, of the whole or any part of the Trust Property or any other security for the Debt, or (iii) any agreement or stipulation between Secured Party or Trustee and any subsequent owner or owners of the Trust Property or other person extending the time of payment or otherwise modifying or supplementing the terms of the Note, the Security Agreement, this Deed of Trust or any other deed of trust, mortgage, instrument or document evidencing, securing or guaranteeing payment of the Debt or any portion thereof, without first having obtained the consent of Borrower, and in the latter event, Borrower shall continue to be obligated to pay the Debt at the time and in the manner provided in the Note, the Security Agreement and this Deed of Trust, as so extended, modified and supplemented, unless expressly released and discharged from such obligation by Secured Party in writing. Regardless of consideration, and without the necessity for any notice to or consent by the holder of any subordinate lien, encumbrance, right, title or interest in or to the Trust Property, Secured Party may release any person at any time liable for the payment of the Debt or any portion thereof or any part of the security held for the Debt and may extend the time of payment or otherwise modify the terms of the Note, the Security Agreement or this Deed of Trust, including, without limitation, a modification of the interest rate payable on the principal balance of the Note, without in any manner impairing or affecting this Deed of Trust or the lien thereof or the priority of this Deed of Trust, as so extended and modified, as security for the Debt over any such subordinate lien, encumbrance, right, title or interest. Secured Party may resort for the payment of the Debt to any other security held by Secured Party in such order and manner as Secured Party, in its discretion, may elect. Secured Party or Trustee may take action to recover the Debt, or any portion thereof, or to enforce any covenant hereof without prejudice to the right of Secured Party or Trustee thereafter to foreclose this Deed of Trust or to effect a sale of the Trust Property in accordance with the provisions of this Deed of Trust. Secured Party and Trustee shall not be limited exclusively to the rights and remedies herein stated but shall be entitled to every additional right and remedy now or hereafter afforded by law. The rights of Secured Party and Trustee under this Deed of Trust shall be separate,



distinct and cumulative and none shall be given effect to the exclusion of the others. No act of Secured Party or Trustee shall be construed as an election to proceed under any one provision herein to the exclusion of any other provision.

21. Foreclosure by Power of Sale. Should Beneficiary elect to foreclose by exercise of the power of sale herein contained, Beneficiary shall notify Trustee and shall deposit with Trustee this Deed of Trust and the Note and such receipts and evidence of expenditures made and secured hereby as Trustee may require.

(a) Upon receipt of such notice from Beneficiary, Trustee shall cause to be given such Notice of Default as then required by law. Trustee shall, without demand on Borrower, after lapse of such time as may then be required by law and after notice of sale and notice of foreclosure having been given as required by law, sell the Trust Property at the time and place of sale fixed by it in such Notice of Sale and Notice of Foreclosure, either as a whole, or in separate lots or parcels or items as Trustee shall deem expedient, and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States payable at the time of sale. Trustee shall deliver to such purchaser or purchasers thereof its good and sufficient deed or deeds conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof.

(b) After deducting all costs, fees and expenses of a Trustee and of this Trust, including costs of evidence of title and reasonable counsel fees in connection with sale, Trustee shall apply the proceeds of sale to payment of all sums expended under the terms hereof, not then repaid, with accrued interest, all other sums then secured hereby and the remainder, if any, shall be paid into court in the manner provided by law.

22. Concerning the Trustee. Trustee's Fees. Trustee shall be under no duty to take any action hereunder except as expressly required hereunder or by law, or to perform any act which would involve Trustee in any expense or liability or to institute or defend any suit in respect hereof, unless properly indemnified to Trustee's reasonable satisfaction. Trustee, by acceptance of this Deed of Trust, covenants to perform and fulfill the trusts herein created, being liable, however, only for willful negligence or misconduct, and hereby waives any statutory fee and agrees to accept reasonable compensation, in lieu thereof, for any services rendered by Trustee in accordance with the terms hereof. Trustee may resign at any time upon giving thirty (30) days' notice to Borrower and to Secured Party. Secured Party may in its sole and absolute discretion and with or without cause remove Trustee at any time or from time to time and select a successor trustee. In the event of the death, removal, resignation, refusal to act, or inability to act of Trustee, or in its sole and absolute discretion for any reason whatsoever Secured Party may, without notice and without specifying any reason therefor and without applying to any court, select and appoint a successor trustee, by an instrument recorded wherever this Deed of Trust is recorded and all powers, rights, duties and authority of Trustee, as aforesaid, shall thereupon become vested in such successor. Such substitute trustee shall not be required to give bond for the faithful performance of the duties of Trustee hereunder unless required to do so by Secured Party. Borrower shall pay all costs, fees and expenses incurred by Trustee and Trustee's agents and counsel in connection with the performance by Trustee of Trustee's duties hereunder and all such costs, fees and expenses shall be secured by this Deed of Trust.

23. Construction. The terms of this Deed of Trust shall be construed in accordance with the laws of the State in which the Premises are located.

24. Further Acts, etc. Borrower will, at the cost of Borrower, and without expense to Secured Party or Trustee, do, execute, acknowledge and deliver all and every such further acts, deeds, conveyances, deeds of trust, mortgages, assignments, notices of assignments, transfers and assurances as Secured Party or Trustee shall, from time to time, require for the better assuring, conveying, assigning, transferring and confirming unto Secured Party or Trustee, as the case may be, the property and rights hereby conveyed or assigned or intended now or hereafter so to be, or which Borrower may be or may hereafter become bound to convey or assign to Secured Party or Trustee, or for carrying out the intention or facilitating the performance of the terms of this Deed of Trust or for filing, registering or recording this Deed of Trust and, on demand, will execute and deliver and hereby authorizes Secured Party or Trustee to execute in the name of Borrower to the extent Secured Party and Trustee may lawfully do so, one or more financing statements, chattel mortgages or comparable security instruments, to evidence more effectively the lien hereof upon the Trust Property.



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25. Headings, etc. The headings, titles and captions of various paragraphs of this Deed of Trust are for convenience of reference only and are not to be construed as defining or limiting, in any way, the scope or intent of the provisions hereof.

26. Filing of Deed of Trust, etc. Borrower forthwith upon the execution and delivery of this Deed of Trust and thereafter, from time to time, will cause this Deed of Trust, and any security instrument creating a lien or evidencing the lien hereof upon the Trust Property and each instrument of further assurance to be filed, registered or recorded in such manner and in such places as may be required by any present or future law in order to publish notice of and fully to protect, preserve and perfect the lien hereof upon, and the interest of Secured Party and Trustee in, the Trust Property. Borrower will pay all filing, registration and recording fees, and all expenses incident to the preparation, execution and acknowledgment of this Deed of Trust, any deed of trust or mortgage supplemental hereto, any security instrument with respect to the Trust Property, and any instrument of further assurance, and all Federal, state, county and municipal taxes, duties, imposts, assessments and charges arising out of or in connection with the execution and delivery of this Deed of Trust, any deed of trust or any mortgage supplemental hereto, any security instrument with respect to the Trust Property or any instrument of further assurance. Borrower shall hold harmless and indemnify Secured Party, its successors and assigns, against any liability incurred by reason of the imposition of any tax on the making and recording of this Deed of Trust.

27. Sole Discretion of Secured Party or Trustee. Except as may otherwise be expressly provided to the contrary, wherever pursuant to the Note, this Deed of Trust, or any other document or instrument now or hereafter executed and delivered in connection therewith or otherwise with respect to the loan secured hereby, Secured Party or Trustee exercises any right given to Secured Party or Trustee to consent or not consent, or to approve or disapprove, or any arrangement or term is to be satisfactory to Secured Party or Trustee, the decision of Secured Party or Trustee to consent or not consent, or to approve or disapprove or to decide that arrangements or terms are satisfactory or not satisfactory, shall be in the sole and absolute discretion of Secured Party or Trustee and shall be final and conclusive.

28. Duplicate Originals. This Deed of Trust may be executed in any number of duplicate originals and each such duplicate original shall be deemed to constitute but one and the same instrument.

29. Certain Definitions. Unless the context clearly indicates a contrary intent or unless otherwise specifically provided herein, words used in this Deed of Trust shall be used interchangeably in singular or plural form and the word "Borrower" shall mean each Borrower and any subsequent owner or owners of the Trust Property or any part thereof or interest therein; the word "Secured Party" shall mean Secured Party or any subsequent holder of the Note; the word "Note" shall mean the Secured Promissory Note or any other evidence of indebtedness secured by this Deed of Trust; the words "Security Agreement" shall mean the Pledge and Security Agreement; the word "Guarantor" shall mean each person guaranteeing payment of the Debt or any portion thereof or performance by Borrower of any of the terms of this Deed of Trust and their respective heirs, executors, administrators, legal representatives, successors and assigns; the word "person" shall include an individual, corporation, partnership, trust, unincorporated association, government, governmental authority, or other entity; the words "Trust Property" shall include any portion of the Trust Property or interest therein; the word "Debt" shall mean all sums secured by this Deed of Trust; and the word "default" shall mean the occurrence of any default by Borrower or other person in the observance or performance of any of the terms, covenants or provisions of the Note, the Security Agreement or this Deed of Trust on the part of Borrower or such other person to be observed or performed without regard to whether such default constitutes or would constitute upon notice or lapse of time, or both, an Event of Default under this Deed of Trust. Whenever the context may require, any pronouns used herein shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns and pronouns shall include the plural and vice versa.

30. Waiver of Notice. Borrower shall not be entitled to any notices of any nature whatsoever from Secured Party or Trustee except with respect to matters for which this Deed of Trust specifically and expressly provides for the giving of notice by Secured Party or Trustee to Borrower, and Borrower hereby expressly waives the right to receive any notice from Secured Party or Trustee with respect to any matter for which this Deed of Trust does not specifically and expressly provide for the giving of notice by Secured Party or Trustee to Borrower.



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31. Waiver of Statutory Rights. Waiver of Counterclaims. Oral Agreements. Borrower shall not and will not apply for or avail itself of any appraisal, valuation, stay, extension or exemption laws, or any so-called "Moratorium Laws", now existing or hereafter enacted, in order to prevent or hinder the enforcement or foreclosure of this Deed of Trust, but hereby waives the benefit of such laws to the full extent that Borrower may do so under applicable law. Borrower for itself and all who may claim through or under it waives any and all right to have the property and estates comprising the Trust Property marshalled upon any foreclosure of the lien of this Deed of Trust and agrees that any court having jurisdiction to foreclose such lien may order the Trust Property sold as an entirety. Borrower hereby waives for itself and all who may claim through or under it, and to the full extent Borrower may do so under applicable law, any and all rights of redemption from sale under any order or decree of foreclosure of this Deed of Trust or granted under any statute now existing or hereafter enacted. Borrower absolutely, unconditionally and irrevocably waives any and all right to assert any defense, setoff, counterclaim or crossclaim of any nature with respect to this Deed of Trust or the obligations of Borrower under this Deed of Trust in any action or proceeding brought by Secured Party to collect the Debt, or any portion thereof, or to enforce the obligations of the Borrower under this Deed of Trust. **ORAL AGREEMENT OR ORAL COMMITMENTS TO LOAN MONEY, TO EXTEND CREDIT, OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.**

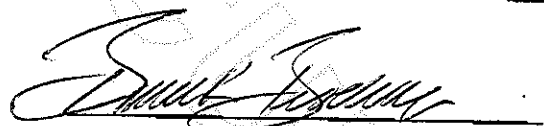
32. Superior Deed of Trust. If Borrower fails to pay any installment of principal or interest or any other sum due under any deed of trust or other lien superior in lien to the lien of this Deed of Trust, as the same becomes due and payable, Secured Party may, at its option, pay the same, and Borrower shall upon demand reimburse Secured Party for all sums so expended by Secured Party, with interest at a rate per annum equal to the Default Rate. All such sums expended by Secured Party, with interest, shall be secured by this Deed of Trust.

33. Security Agreement. Unless specifically provided to the contrary, all of the terms and provisions of the Security Agreement are hereby incorporated and shall become a part of this Deed of Trust.

34. Solvency, Binding Effect and Enforceability. The Borrower is (and, after giving effect to this Deed of Trust, will be) solvent. This Deed of Trust is the legal, valid and binding obligation of the Borrower enforceable in accordance with its terms.

IN WITNESS WHEREOF, Borrower has duly executed this Deed of Trust the day and year first above written.

Bruce K. and Carolyn A. Broderick



Carolyn A. Broderick



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Kathy Hill, Skagit County Auditor

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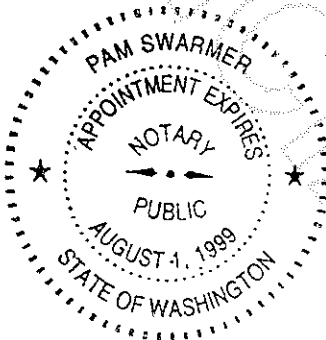
ACKNOWLEDGMENT

STATE OF WASHINGTON )

COUNTY OF Skagit )

On this 29th day of June, 1999, before me, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Bruce K. Broderick to me known to be the individual who executed the within and foregoing instrument, and acknowledged that (s)he signed the same as his/her free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN UNDER my hand and official seal hereto affixed the day and year in this certificate first above written.



Pam Swarmer  
(Signature of Notary)

Pam Swarmer  
(Print or stamp name of Notary)

NOTARY PUBLIC in and for the State of Washington,  
residing at Mount Vernon

My Commission Expires: 08-01-99

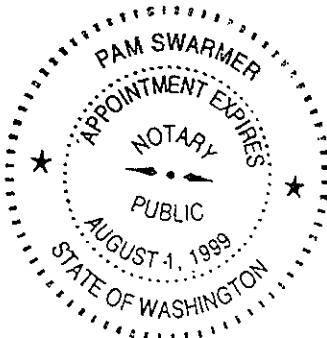
ACKNOWLEDGMENT

STATE OF WASHINGTON )

COUNTY OF Skagit )

On this 29th day of June, 1999, before me, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Carolyn Broderick to me known to be the individual who executed the within and foregoing instrument, and acknowledged that (s)he signed the same as his/her free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN UNDER my hand and official seal hereto affixed the day and year in this certificate first above written.



Pam Swarmer  
(Signature of Notary)

Pam Swarmer  
(Print or stamp name of Notary)

NOTARY PUBLIC in and for the State of Washington,  
residing at Mount Vernon

My Commission Expires: 08-01-99



199908130023

Kathy Hill, Skagit County Auditor

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Exhibit A  
(Legal Description of Premises)

PTN E1/2 SE1/4 AKA CASCADE MALL BINDING SITE PLAN PTN LT 5 AKA  
LT 5B BURL SP 3-91 REC AF #9204270026 DK 12



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Exhibit A-1  
(Description of Ground Lease)

Lease Agreement dated September 30, 1991 by and between Armada Vancouver Company, a Washington corporation and Bruce K. Broderick and Carolyn A. Broderick, husband and wife.



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