



200003080098

Kathy Hill, Skagit County Auditor

3/8/2000 Page 1 of 28 1:19:36PM

RECORDING REQUESTED BY AND WHEN RECORDED MAIL TO:

**CHEVRON PRODUCTS COMPANY, a division of
CHEVRON U.S.A. INC.
5959 CORPORATE DRIVE, SUITE 3500
HOUSTON, TEXAS 77036
ATTN: RETAIL/ACQUISITIONS**

FIRST AMERICAN TITLE CO.

61462, 61463

**DEED OF TRUST, ASSIGNMENT OF RENTS AND LEASES
AND SECURITY AGREEMENT**

61464

61465

THIS DEED OF TRUST, ASSIGNMENT OF RENTS AND LEASES, AND SECURITY AGREEMENT (herein "Deed of Trust") is made this 3rd day of March, 2000, by Grantor Transmart Petroleum, L.L.C., a Washington Limited Liability Company (herein "Borrower"), whose mailing address is P.O. Box 338, Bellingham, Washington 98227. The Trustee is First American Title Insurance Company, whose mailing address is 1850 Mt. Diablo Blvd., Suite 300, Walnut Creek, California 94596. The Beneficiary is CHEVRON U.S.A. INC., a Pennsylvania corporation (herein "Lender"), whose mailing address is 5959 Corporate Drive, Suite 3500, Houston, Texas 77036, Attn: Retail/Acquisitions. For purposes of Article 9 of the Uniform Commercial Code (RCW 62A.9), this Deed of Trust constitutes a Security Agreement and Financing Statement with the Borrower being the Debtor and the Lender being the Secured Party.

*LTS 14-16 BL 99 AM PLAT BURL ETAL
TAX # 41 77-006-005-0001*

In consideration of the Loan and other agreements described below, Borrower hereby irrevocably GRANTS, TRANSFERS, CONVEYS and ASSIGNS to Trustee, IN TRUST, WITH POWER OF SALE, all of Borrower's present and future estate, rights, title, claim, interest and demand, either in law or in equity, of, in and to the following property (the "Property"):

- (a) The real property and all rights to the alleys, streets and roads adjoining or abutting the real property described on Exhibit 1 attached hereto (the "Real Estate");
- (b) All buildings, improvements and tenements now or hereafter located on the Real Estate;
- (c) All fixtures and articles of property now or hereafter attached to, or used or adapted for use in the ownership, development, operation or maintenance, of the buildings, improvements, and Real Estate (whether such items be leased, be owned absolutely or subject to any title-retaining or security instrument, or be otherwise used or possessed), including without limitation all heating, cooling, air-conditioning, ventilating, refrigerating, plumbing, generating, power, lighting, maintenance, incinerating, lifting, cleaning, fire prevention and extinguishing.

EXHIBIT "A"

security and access control, cooking, gas, electric and communication fixtures, equipment and apparatus, all engines, motors, conduits, pipes, pumps, tanks, hoses, nozzles, ducts, compressors, boilers, water heaters and furnaces, all ranges, stoves, disposers, refrigerators and other appliances, sinks, all cabinets, partitions, dispensers, displays, signage, canopies, islands, lifts, computers, cash registers, window shades, blinds, screens, awnings, storm doors, windows and sash, all carpeting, underpadding, floor covering, paneling, and draperies, all furnishings, and all shrubbery and plants; all of which items shall be deemed part of the real property and not severable wholly or in part without material injury to the freehold; and all contracts or other arrangements to acquire personal property for installation or use in connection with the Property, provided, however, personal property and trade fixtures owned or supplied by tenants of the Property with the right of removal on or before the termination of the tenancy shall not be included within the scope of this paragraph;

(d) All easements, all access, air and development rights, all minerals and oil, gas and other hydrocarbon substances, all royalties, all water, water rights and water stock, and all other rights, hereditaments, privileges, permits, licenses, franchises and appurtenances now or hereafter belonging or in any way appertaining to the Real Estate;

(e) All of the rents, revenues, issues, profits and income of the Property, and all right, title and interest of Borrower in and to all present and future leases and other agreements for the occupancy or use of all or any part of the Real Estate, and all right, title and interest of Borrower thereunder, including without limitation all cash or security deposits, advance rentals and deposits or payments of similar nature, and all guarantees of tenants' or occupants' performance under any and all leases or agreements of occupancy or use of all or part of the Real Estate; and all claims of Borrower against any occupant of the Property and any other person related to the Property; SUBJECT, HOWEVER, to the assignment of rents and other property to Lender herein contained;

(f) All intangible personal property used or useful in connection with the ownership, development, operation or maintenance of the buildings, improvements, and Real Estate, including, without limitation, all permits, licenses and franchises with respect to the Property, the exclusive right to use of any trade names; all contract rights (including, but not limited to, architectural, engineering, and management agreements), all accounts receivable, leases and rental agreements, escrow accounts, insurance policies and proceeds (including the right to receive any refund or premiums previously paid if a policy is canceled or surrendered prior to expiration), deposits (including but not limited to tenant deposits), instruments, documents of title, general intangibles, and business records pertaining to the buildings, improvements, and Real Estate excluding only cash on hand and in bank accounts;

(g) Materials, supplies, and other goods (collectively referred to as "materials") now owned or hereafter acquired, wherever located, whether in the possession of Borrower, warehouseman, bailee, or any other person, purchased for use in the construction or furnishing of



200003080098

Kathy Hill, Skagit County Auditor

3/8/2000 Page 2 of 28 1:19:36PM

EXHIBIT "A"

improvements on the Real Estate, together with any documents covering such materials, all contract rights and general intangibles relating to such materials, including all warranties, and proceeds of such materials, document contract rights and general intangibles;

(h) All site plans, plats, architectural plans, specifications, work drawings, surveys, engineering reports, test borings, market surveys, and other work products relating to the development of the Property;

(i) All rights under any construction management contract and all construction contracts relating to improvements on the Real Estate, and all amendments thereto, together with all of the right, title and interest of Borrower in, to and under any and all performance, payment, completion or other surety bonds now, or hereafter issued, by any surety in connection with or related to any construction contract, insofar as the same may be transferable by Borrower without breach of the agreement or bond referred to;

(j) All books, records, and files pertaining to the Property; and

(k) All proceeds of the foregoing.

TO SECURE THE FOLLOWING (collectively the "Secured Obligations"):

1. Performance of all of Borrower's obligations under that certain Promissory Note of even date herewith, pursuant to which Lender loaned Borrower \$300,000.00 (the "Note").
2. Payment of all sums advanced in accordance with the Loan Documents to protect the security of this Deed of Trust, together with interest thereon as herein provided;
3. Payment of all other sums which are or which may become owing under the Loan Documents; and
4. Performance of all of Borrower's other obligations under the Loan Documents.
5. The timely payment and performance of any and all of the present or future debts and other obligations of Borrower to Lender including but not limited to any and all sums owing by Borrower to Lender for petroleum products and other goods heretofore or hereafter sold by to Lender or its successors or assigns.
6. Payment of additional sums and interest thereon which may hereafter be loaned to Borrower, or its successors and assigns, when evidenced by a loan agreement, promissory note or other written instrument reciting that they are secured by this Deed of Trust.



200003080098

Kathy Hill, Skagit County Auditor
3/8/2000 Page 3 of 28 1:19:36PM

EXHIBIT "A"

As used herein, the term "Loan Documents" means this Deed of Trust, the Note and the Uniform Commercial Code Financing Statements executed in connection herewith the Escrow Agreement and any other instrument or document securing the Note or otherwise executed in connection therewith, together with all modifications, extensions, renewals and replacements thereof. The indebtedness secured by this Deed of Trust may be adjusted, renewed or renegotiated.

BORROWER HEREBY REPRESENTS, WARRANTS, COVENANTS AND AGREES AS FOLLOWS:

ARTICLE I
TITLE AND USE

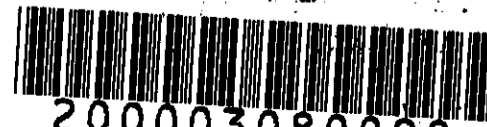
1.1. Warranty of Title. Borrower warrants and represents that it is lawfully seized of the estate hereby conveyed and has the right to grant, convey and assign the Property. Borrower further warrants and represents that the Property is free from liens, encumbrances, exceptions and other charges of any kind whatsoever other than the permitted exceptions, if any, listed on Exhibit 1 attached hereto; and that no default on the part of Borrower or any other person exists under any of the permitted exceptions and, as applicable, all are in full force and effect and in good standing, without modification except as disclosed on Exhibit 1 attached. Except for the permitted exceptions listed on Exhibit 1 attached and non-delinquent real property taxes and assessments, Borrower covenants that no liens, or encumbrances, whether superior or inferior to this Deed of Trust, will be created or suffered to be created by Borrower during the life of this Deed of Trust without the prior written consent of Lender. Borrower will forever warrant and defend the Property unto Lender against all claims and demands of any other person whomsoever, subject only to the non-delinquent installments of taxes and assessments and permitted exceptions.

1.2. Non-Agricultural Use. Borrower represents and warrants to Lender that the Property is not used principally for agricultural or farming purposes.

1.3. Hazardous Substance.

(a) Representations and Warranties. In addition to and independently of any representations, warranties or covenants made by Borrower to Lender in any other agreement which may exist now or in the future between the parties, Borrower hereby represents, warrants and covenants to Lender that:

(i) Borrower has duly investigated the present and past uses of the Real Estate. Upon Lender's request, Borrower will provide Lender with a summary of its investigations and copies of all inquiries and responses.



200003080098

Kathy Hill, Skagit County Auditor

3/8/2000 Page

4 of 28

1:19:36PM

EXHIBIT "A"

(ii) To the best of Borrower's knowledge, neither Borrower nor any other person or entity has ever caused or permitted any "Hazardous Substances" to be generated, processed, stored, transported, handled or disposed of on or about the Real Estate, nor is Borrower aware of any actual or alleged violation with respect to the Real Estate of any federal, state or local statute, ordinance, rule, regulation or other law pertaining to Hazardous Substances, and that there is no action or proceeding pending before or appealable from any court, quasi-judicial body or administrative agency relating to Hazardous Substances affecting or alleged to be affecting the Real Estate.

(iii) Hazardous Substances will not be generated, processed, stored, transported, handled or disposed of, on, under or in the Property by Borrower, its agents or tenants, except such petroleum products as may be reasonably expected to be handled, stored, and generated at an automobile service station, all of which shall be handled, stored, generated, disposed, and dispensed only in compliance with all applicable state, local and Federal laws and regulations.

(iv) Borrower shall immediately notify Lender if Borrower becomes aware of (a) the existence of any Hazardous Substances on or other environmental problem with respect to the Real Estate, or any adjacent property, or (b) any violation, lien, action or notice of the nature described in Paragraphs 2.2 and 2.3, above.

(v) At its own cost, Borrower will take all actions which are necessary or desirable to clean-up any Hazardous Substances affecting the Real Estate, including removal, containment or any other remedial action required by applicable governmental authorities.

(b) Right of Entry. Lender is hereby authorized to enter the Property, including the interior of any structures, at reasonable times, and after reasonable notice, for the purpose of inspecting the Property to ascertain the accuracy of all representations and warranties in this Deed of Trust relating to Hazardous Substances, and the observances of all covenants contained in this section.

(c) Indemnification. Borrower hereby agrees to indemnify, defend (with counsel reasonably acceptable to Lender) and hold harmless Lender and its directors, officers, employees, contractors, agents, representatives, successors and assigns, from and against any and all claims, demands, damages, losses, costs and expenses (including attorneys' fees and costs), court costs, awards, settlements, judgments, penalties, fines, liens or causes of action, at law or in equity (collectively, "Claims") arising directly or indirectly out of or relating to (a) the inaccuracy or breach of the representations, warranties and covenants contained herein, (b) any activities on the Real Estate during Borrower's ownership, possession or control of the Real Estate which directly or indirectly result in the Real Estate or any other property becoming contaminated with Hazardous Substances, (c) the discovery of Hazardous Substances on the Real Estate or migrating from any other property, and (d) the clean-up of Hazardous Substances from the Real



200003080098

Kathy Hill, Skagit County Auditor

EXHIBIT "A"

Estate or any other properties; except to the extent any of the foregoing are caused by Lender, or Lender's employees, agents, successors or assigns.

(d) Definition. As used herein, the term "Hazardous Substance" means any hazardous, toxic or dangerous substance, waste or material which is or becomes regulated under any federal, state or local statute, ordinance, rule, regulation or other law now or hereafter in effect pertaining to environmental protection, contamination or cleanup, including without limitation any substance, waste or material which now or hereafter is designated as "hazardous substances," "hazardous materials," "hazardous wastes," "dangerous wastes" or "toxic substances" in any federal, state or local environmental law, statute, ordinance, rule, regulation or order, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. 9601, et seq., the Resource Conservation and Recovery Act 42 U.S.C. 6901, et seq., and the Washington Model Toxics Control Act (RCW Ch. 70.105D, et seq.), et seq. Without limiting the foregoing, Hazardous Substances shall include, but not be limited to, any substance which after being released into the environment and upon exposure, ingestion, inhalation, or assimilation, either directly from the environment or indirectly by ingestion through food chains, will or may reasonably be anticipated to cause death, disease, behavior abnormalities, cancer and/or genetic abnormalities.

ARTICLE II BORROWER'S COVENANTS

2.1. Payment and Performance of Secured Obligations. Borrower will pay when due all sums which are now or which may become owing under the Note, and will pay and perform all other Secured Obligations, in accordance with their terms.

2.2. Payment of Taxes, Utilities, Liens and Charges.

(a) Taxes and Assessments. Except as the same may otherwise be paid under Article III relating to reserves, Borrower will pay when due directly to the payee thereof all taxes and assessments (including without limitation, nongovernmental levies or assessments such as maintenance charges, owner association dues or charges, or fees, levies or charges resulting from covenants, conditions or restrictions) levied, assessed or charged against or with respect to the Property or this Deed of Trust. Upon request, Borrower shall promptly furnish to Lender all notices of amounts due under this subparagraph and all receipts evidencing such payments.

(b) Utilities. Borrower will pay when due all utility charges and assessments for services furnished the Property.

(c) Liens and Charges. Borrower will pay when due the claims of all persons supplying labor or materials to or in connection with the Property. Without waiving the



200003080098

Kathy Hill, Skagit County Auditor

3/8/2000 Page 6 of 28 1:19:36PM

EXHIBIT "A"

restrictions of paragraph 4.1, Borrower will promptly discharge any lien or other charge, whether superior or inferior to this Deed of Trust, which may be claimed against the Property.

(d) Right to Contest. Provided there is no uncured Event of Default under any of the Loan Documents, Borrower may contest in good faith and by appropriate legal proceedings the validity and/or amount of any tax or assessment. While contested and so long as the contest operates to prevent collection, Borrower shall not be required to pay such tax or assessment so long as the proceeding is prosecuted diligently and shall not have been terminated or discontinued adversely to Borrower.

2.3. Insurance.

(a) Coverages Required. Borrower will keep the following insurance coverages in effect with respect to the Property.

(i) Insurance against loss by fire and the hazards now or hereafter embraced by the standard "all-risk" form of insurance, in an amount at all times not less than that required to meet an 80% replacement cost co-insurance clause, and shall contain such other endorsements as Lender may reasonably request. All such endorsements shall be in form and substance satisfactory to Lender.

(ii) Comprehensive public liability insurance against claims for bodily injury, death or property damage occurring on, in or about the Property in amounts and on terms acceptable to Lender.

(iii) Insurance against such similar or other hazards, casualties, liabilities and contingencies, in such forms and amounts, as Lender may from time to time reasonably require.

(b) Policies. Each insurance policy will be in a company and form acceptable to Lender. Each hazard insurance policy will include a form 438BFU or equivalent mortgagee endorsement in favor of and in form acceptable to Lender. All required policies will provide for at least thirty (30) days' written notice to Lender prior to the effective date of any cancellation or material amendment, which term shall include any reduction in the scope or limits of coverage. Borrower shall furnish to Lender the original of each required insurance policy, or a certified copy thereof together with a certificate of insurance setting forth the coverage, the limits of liability, the carrier, the policy number and the expiration date. As security for the Secured Obligations, Borrower hereby assigns to Lender all required insurance policies, together with all proceeds thereof, rights thereto and all unearned premiums returnable upon cancellation.

(c) Payment; Renewals. Borrower shall promptly furnish to Lender all renewal notices relating to insurance policies. Except as the same may otherwise be paid under



200003080098

Kathy Hill, Skagit County Auditor

3/8/2000 Page 7 of 28 1:19:36PM

EXHIBIT "A"

Article III relating to reserves, Borrower will pay all premiums on insurance policies directly to the carrier. At least thirty (30) days prior to the expiration date of each such policy, Borrower shall furnish Lender a renewal policy in a form acceptable to Lender, together with evidence that the renewal premium has been paid.

(d) Insurance Proceeds. In the event of any loss, Borrower will give prompt written notice thereof to the insurance carrier and Lender. Upon the occurrence and during the continuation of an Event of Default, Borrower hereby authorizes Lender as Borrower's attorney-in-fact to make proof of loss, to adjust and compromise any claim, to commence, appear in and prosecute, in Lender's or Borrower's name, any action relating to any claim, and to collect and receive insurance proceeds; provided, however, that Lender shall have no obligation to do so. Whether or not Borrower is in default, it will not compromise, adjust or settle any claim without Lender's prior written consent. Lender shall apply any insurance proceeds received by it hereunder first to the payment of the costs and expenses incurred in the collection of the proceeds and then, in its absolute discretion and without regard to the adequacy of its security, to:

(i) The payment of indebtedness secured hereby, whether then due and payable or not.

(ii) Advance to Borrower for the cost of restoration or repair of the Property. Each disbursement shall be made in accordance with and subject to such reasonable control procedures as Lender in its discretion may impose, including, without limitation, requirements for lien waivers, sworn statements of mechanics and materialmen, and other evidence of costs, percentage completion of construction, application of payments, and satisfaction of liens. Lender may, at its option, condition the reimbursement on Lender's approval of the plans and specifications of the reconstruction, contractor's cost estimates, architect's certificates, waivers of liens, sworn statements of mechanics and materialmen, and such other evidence of costs, percentage completion of construction, application of payments and satisfaction of liens as Lender may reasonably require.

Except to the extent that insurance proceeds are applied to payment of the indebtedness secured hereby under clause (i) above, nothing herein contained shall be deemed to excuse Borrower from restoring, repairing or maintaining the Property as provided in paragraph 2.4, regardless of whether or not there are insurance proceeds available or whether any such proceeds are sufficient in amount.

(e) Borrower's Direction of Application of Insurance and Condemnation Proceeds. Notwithstanding the provisions of clause (d) above, Borrower, rather than Lender, shall have the right to direct the application of insurance or condemnation proceeds to payment of the indebtedness secured by this Deed of Trust or to repair or restoration of the Property on the following conditions:



200003080098

EXHIBIT "A"

(i) There is then no uncured Event of Default hereunder nor any event or condition which with notice or the passage of time or both would be an Event of Default hereunder.

(ii) If the proceeds are to be applied against the indebtedness, the proceeds (together with funds supplied by Borrower) are sufficient to pay the indebtedness in full.

(iii) If the proceeds are to be applied to repair or restoration then in addition to the matters required under clause (d)(ii) above, Lender must have approved each of the following with respect to the repair or restoration: (a) construction contract, and if required by Lender, payment and performance bonds with dual obligee rider, (b) evidence that the insurance proceeds are adequate to restore the Property to its condition immediately prior to the casualty, and if insufficient the deficiency is deposited with Lender to be disbursed prior to disbursement of insurance proceeds, (c) proof that Borrower has funds sufficient to pay operating expenses, taxes, debt service, and other carrying costs of the Property through the period of repair or restoration, (d) evidence that the Property not taken through condemnation can be restored to a functional, architectural and economically viable unit, (e) evidence that upon such repair or restoration the Property will be in compliance with all applicable laws, ordinances and regulations, (f) evidence that upon the completion of any such repair or restoration the Property will produce substantially the same income as before the casualty, loss or other taking. In the case of a partial taking in condemnation this condition will be deemed satisfied if in Lender's reasonable opinion, its security has not been unreasonably impaired.

(iv) Each disbursement shall be made in accordance with and subject to such reasonable control procedures as Lender in its discretion may impose, including without limitation, requirements for lien waivers, sworn statements of mechanics and materialmen, and other evidence of costs, percentage completion of construction, application of payments, and satisfaction of liens.

(v) Borrower executes and delivers to Lender such additional security documents and instruments as Lender deems necessary to continue and to perfect Lender's security interest in the Property.

(f) Transfer of Title. If the Property or any part thereof is sold pursuant to Article VIII or if Lender otherwise acquires title thereto, Lender shall have all of the right, title and interest of Borrower in and to any insurance policies and unearned premiums thereon and in and to the proceeds resulting from any damage to the Property sold prior to such sale or acquisition.



200003080098

Kathy Hill, Skagit County Auditor

3/8/2000 Page 9 of 28 1:19:36PM

EXHIBIT "A"

2.4. Preservation and Maintenance of Property; Right of Entry.

(a) Preservation and Maintenance. Borrower (i) will not commit or suffer any waste or permit any impairment or deterioration of the Property, (ii) will not abandon the Property or any part thereof, (iii) will restore or repair promptly and in a good and workmanlike manner all or any part of the Property to the equivalent of its original condition, or such other condition as Lender may approve in writing, in the event of any damage, injury or loss thereto, whether or not insurance proceeds are available to cover in whole or in part the costs of such restoration or repair, (iv) will keep the Property, including improvements, fixtures, equipment, machinery and appliances thereon, in good condition and repair and shall replace fixtures, equipment, machinery and appliances of the Property when necessary to keep such items in good condition and repair, and (v) will generally operate and maintain the Property in a commercially reasonable manner.

(b) Alterations. No building or other improvement on the Real Estate will be structurally altered, removed or demolished, in whole or in part, without Lender's prior written consent, nor will any fixture or chattel covered by this Deed of Trust and adapted to the use and enjoyment of the Property be removed at any time without like consent unless actually replaced by an article of equal suitability, owned by Borrower, free and clear of any lien or security interest, except such as may be approved in writing by Lender.

(c) Right of Entry. Lender is hereby authorized to enter the Property, including the interior of any structures, at reasonable times and after reasonable notice, for the purpose of inspecting the Property and for the purpose of performing any of the acts it is authorized to perform hereunder.

2.5. Parking. If any part of the automobile parking areas included within the Property are taken by condemnation, or before said areas are otherwise reduced, Borrower will take all actions as are necessary to provide parking facilities in kind, size and location to comply with all governmental zoning and other regulations. Before making any contract for substitute parking facilities, Borrower will furnish to Lender satisfactory assurance of completion thereof free of liens and in conformity with all government zoning and other regulations.

2.6. Use of Property. Borrower will comply with all laws, ordinances, regulations and requirements of any governmental body, and all other covenants, conditions and restrictions, applicable to the Property, and pay all fees and charges in connection therewith. Unless required by applicable law or unless Lender has otherwise agreed in writing, Borrower will not allow changes in the use for which all or any part of the Property was intended at the time this Deed of Trust was executed. Borrower will not initiate or acquiesce in a change in the zoning classification of the Property without Lender's prior written consent.



200003080098

Kathy Hill, Skagit County Auditor

3/8/2000 Page 10 of 28 1:19:36PM

EXHIBIT "A"

2.7. Condemnation.

(a) Proceedings. Borrower will promptly notify Lender of any action or proceeding relating to any condemnation or other taking (including without limitation change or grade), whether direct or indirect, of the Property or part thereof or interest therein, and Borrower will appear in and prosecute any such action or proceeding. Upon the occurrence and during the continuation of an Event of Default, Borrower authorizes Lender, at Lender's option, as attorney-in-fact for Borrower, to commence, appear in and prosecute, in Lender's or Borrower's name, any action or proceeding relating to any such condemnation or other taking, and to settle or compromise any claim in connection with such condemnation or other taking; provided, however, that Lender shall have no obligation to do so. Whether or not Borrower is in default, Borrower will not compromise, settle or adjust any condemnation claim or proceeding without Lender's prior written consent. All awards, payments, damages, direct, consequential and otherwise, claims, and proceeds thereof, in connection with any such condemnation or other taking, or for conveyances in lieu of condemnation, are hereby assigned to Lender, and all proceeds of any such awards, payments, damages or claims shall be paid to Lender.

(b) Application of Proceeds. Lender shall apply any such proceeds in the manner and upon the terms and conditions set forth in paragraphs 2.3(d) and 2.3(e) relating to the application of insurance proceeds.

2.8. Protection of Lender's Security. Borrower will give notice to Lender of and will, at its expense, appear in and defend any action or proceeding that might affect the Property or any part thereof or title thereto or the interests of Lender or Trustee therein or the rights or remedies of Lender or Trustee. If any such action or proceeding is commenced or if Lender or Trustee is made a party to any such action or proceeding by reason of this Deed of Trust, or if Borrower fails to perform any obligation on its part to be performed hereunder, then Lender and/or Trustee, each in its own discretion, may make any appearances, disburse any sums, make any entries upon the Property and take any actions as may be necessary or desirable to protect or enforce the security of this Deed of Trust, to remedy Borrower's failure to perform its covenants (without, however, waiving any default by Borrower) or otherwise to protect Lender's or Trustee's interests. Borrower agrees to pay all loss, damage, costs and expenses, including reasonable attorneys' fees, of Lender and Trustee thus incurred. This paragraph shall not be construed to require Lender or Trustee to incur any expenses, make any appearances or take any actions.

2.9. Reimbursement of Lender's and Trustee's Expenses. All amounts disbursed by Lender and Trustee pursuant to paragraph 2.8 or any other provision of this Deed of Trust, with interest thereon, shall be additional indebtedness of Borrower secured by this Deed of Trust. All such amounts shall be immediately due and payable and shall bear interest from the date of disbursement of 8.75% per annum, or at the maximum rate which may be collected from Borrower on such amounts by the payee thereof under applicable law if that is less.



200003080098

Kathy Hill, Skagit County Auditor

EXHIBIT "A"

2.10. Books and Records; Financial Statements. Borrower will keep and maintain at Borrower's address stated above, or such other place as Lender may approve in writing, books of accounts and records adequate to reflect correctly the results of the operation of the Property and copies of all written contracts, leases and other instruments which affect the Property. Such books, records, contracts, leases and other instruments shall be subject to examination, inspection and copying at any reasonable time by Lender. Borrower shall provide to Lender within sixty (60) days after the end of Borrower's fiscal year, a current financial statement of Borrower, Borrower's most recent federal income tax return (if that is not available within sixty (60) days, then it shall be provided as soon thereafter as it is available), a statement of income and expenses of the Property and a statement of changes in financial position with respect to the Property for the prior year, each in reasonable detail and certified by Borrower, and if Lender shall require, by an independent certified public accountant. At the same time, Borrower shall furnish, at the request of Lender, the current reviewed financial statements of any guarantor of Borrower.

ARTICLE III RESERVES

3.1. Deposits. Lender may require Borrower to deposit with Lender, in advance, such sums for taxes, assessments, premiums, charges and impositions in connection with Borrower or the Property as Lender reasonably deems necessary to protect Lender's interests (herein "Impositions"). Such sums for Impositions shall be deposited in a lump sum or in periodic installments, at Lender's option. If requested by Lender, Borrower will promptly deliver to Lender all bills and notices with respect to any rents, taxes, assessments, premiums and Impositions. Lender shall not be required to pay Borrower's interest on any sums deposited with Lender hereunder, and Lender may commingle such deposits with its other funds. All sums deposited with Lender under this paragraph 3.1 and all interest earned thereon are hereby pledged as security for the Secured Obligations.

3.2. Application of Deposits. All such deposited sums shall be held by Lender and applied in such order as Lender elects to pay such rents, taxes, assessments, premiums and Other Impositions or, upon an Event of Default hereunder, may be applied, in whole or in part, to indebtedness secured hereby. The arrangement provided for in this Article III is solely for the added protection of Lender and entails no responsibility on Lender's part beyond the allowing of due credit, for the sums actually received by it and payment to the appropriate payee. Upon any assignment of this Deed of Trust by Lender, any funds on hand shall be turned over to the assignee and any responsibility of Lender with respect thereto shall terminate. Each transfer of the Property or any part thereof shall automatically transfer to the grantee all rights of Borrower with respect to any funds accumulated hereunder. Upon performance in full of the Secured Obligations, Lender shall promptly refund to Borrower the remaining balance of any deposits then held by Lender. Lender will pay no taxes out of any deposits so long as the same are being contested in accordance with paragraph 2.2(d) hereof.



EXHIBIT "A"

3.3. Adjustments to Deposits. If the total deposits held by Lender exceeds the amount deemed necessary by Lender to provide for the payment of such rents, taxes, assessments, premiums and Impositions as the same fall due, then such excess shall, provided no Event of Default then exists hereunder, be credited by Lender on the next due installment or installments of such deposits. If at any time the total deposits held by Lender is less than the amount deemed necessary by Lender to provide for the payment thereof as the same fall due, then Borrower will deposit the deficiency with Lender within thirty (30) days after written notice to Borrower stating the amount of the deficiency.

3.4. Conditional Waiver. Notwithstanding any other provision of this Deed of Trust, Lender agrees that it will not require the payment of reserves as provided in this Article III, so long as there is no delinquency in the payment of any taxes or assessments levied or assessed against the Property, nor any delinquency in the payment of the premiums for any insurance required under this Deed of Trust, and there is no other Event of Default under this Deed of Trust.

ARTICLE IV

RESTRICTIONS ON TRANSFER OR ENCUMBRANCE

4.1. Restrictions on Transfer or Encumbrance of the Property. Neither the Property nor any part thereof or interest therein shall be encumbered, sold (by land sale contract or real estate contract or other title retaining security device or otherwise), conveyed, assigned or otherwise transferred by Borrower; nor shall there be any change in the ownership of Borrower, except that, the foregoing prohibition shall not apply to the extent transfers are permitted by Chevron's then-current policies and the Washington Gasoline Dealers' Bill of Rights Act. Any such action without Lender's prior written consent shall constitute an Event of Default hereunder and shall be deemed to increase the risk of Lender, and Lender may declare all sums secured hereby immediately due and payable or may at its sole option consent to such change in title, occupancy or ownership and increase the interest rate on the indebtedness secured hereby.

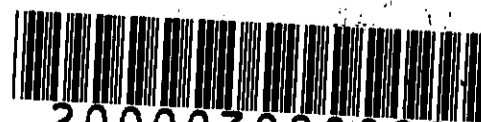
ARTICLE V

UNIFORM COMMERCIAL CODE SECURITY AGREEMENT

5.1. Grant to Lender. This Deed of Trust constitutes a security agreement pursuant to the Uniform Commercial Code with respect to:

(a) Any of the Property which, under applicable law, is not real property or effectively made part of the real property by the provisions of this Deed of Trust; and

(b) Any and all other property now or hereafter described on any Uniform Commercial Code Financing Statement naming Borrower as Debtor and Lender as Secured Party



200003080098

Kathy Hill, Skagit County Auditor

3/8/2000 Page 13 of 28 1:19:36PM

EXHIBIT "A"

and affecting property in any way connected with the use and enjoyment of the Property (any and all such other property constituting "Property" for purposes of this Deed of Trust);

and Borrower hereby grants Lender a first priority security interest in all property described in clauses (a) and (b) above as security for the Secured Obligations. Borrower and Lender agree, however, that neither the foregoing grant of a security interest nor the filing of any such financing statement shall ever be construed as in any way derogating from the parties' hereby stated intention that everything used in connection with the production of income from the Property or adapted for use therein or which is described or reflected in this Deed of Trust is and at all times shall be regarded for all purposes as part of the real property.

5.2. Lender's Rights and Remedies. With respect to Property subject to the foregoing security interest, Lender has all of the rights and remedies (i) of a secured party under the Uniform Commercial Code, (ii) provided herein, including without limitation the right to cause such Property to be sold by Trustee under the power of sale granted by this Deed of Trust, and (iii) provided by law. In exercising its remedies, Lender may proceed against the items of real property and any items of personal property separately or together and in any order whatsoever, without in any way affecting the availability of Lender's remedies. Upon demand by Lender following an Event of Default hereunder, Borrower will assemble any items of personal property and make them available to Lender at the Property, a place which is hereby deemed to be reasonably convenient to both parties. Lender shall give Borrower at least five (5) days' prior written notice of the time and place of any public sale or other disposition of such Property or of the time for or after which any private sale or any other intended disposition is to be made. Any person permitted by law to purchase at any such sale may do so. Such Property may be sold at any one or more public or private sales as permitted by applicable law. All expenses incurred in realizing on such Property shall be borne by Borrower.

ARTICLE VI

ASSIGNMENT OF RENTS AND LEASES; LEASES OF PROPERTY; APPOINTMENT OF RECEIVER; LENDER IN POSSESSION

6.1. Assignment of Rents and Leases. As part of the consideration for the loan made to Borrower and not as additional security therefor, Borrower hereby absolutely and unconditionally assigns and transfers to Lender all right, title and interest of Borrower in and to: (a) any and all present and future leases and other agreements for the occupancy or use of all or any part of the Property, and any and all extensions, renewals and replacements thereof (collectively "Leases"); (b) all cash or security deposits, advance rentals and deposits of a similar nature under the Leases; (c) any and all guarantees of tenants' or occupants' performances under any and all Leases, and (d) all rents, issues, profits and revenues (collectively "Rents") now due or which may become due or to which Borrower may now or shall hereafter become entitled or may demand or claim (including Rents coming due during any redemption period), arising or



200003080098

Kathy Hill, Skagit County Auditor
3/8/2000 Page 14 of 28 1:19:36PM

EXHIBIT "A"

issuing from or out of any and all Leases, including without limitation, minimum, additional, percentage and deficiency rents and liquidated damages.

6.2. Collection of Rents. Prior to written notice given by Lender to Borrower of an Event of Default hereunder, Borrower shall have a license to, and will, collect and receive all Rents of the Property as trustee for the benefit of Lender and Borrower, to apply the Rents so collected first to the payment of taxes, assessments and other charges on the Property prior to delinquency, second to the cost of insurance, maintenance and repairs required by the terms of this Deed of Trust, third to the costs of discharging any obligation or liability of Borrower under the Leases, and fourth to the indebtedness secured hereby, with the balance, if any, so long as no such Event of Default has occurred, to the account of Borrower. Upon delivery of written notice by Lender to Borrower of an Event of Default hereunder and stating that Lender exercises its rights to the Rents, and without the necessity of Lender entering upon and taking and maintaining full control of the Property in person, by agent or by a court-appointed receiver, Lender shall immediately be entitled to possession of all Rents from the Property as the same become due and payable, including without limitation Rents then due and unpaid, and all such Rents shall immediately upon delivery of such notice be held by Borrower as trustee for the benefit of Lender only. Upon delivery of such written notice by Lender, Borrower hereby agrees to direct each tenant or occupant of the Property to pay all Rents to Lender on Lender's written demand therefor without any liability on the part of said tenant or occupant to inquire further as to the existence of a default by Borrower; Borrower hereby authorizes Lender as Borrower's attorney-in-fact to make such direction to tenants and occupants upon Borrower's failure to do so as required herein. Payments made to Lender by tenants or occupants shall, as to such tenants and occupants, be in discharge of the payors' obligations to Borrower, and Lender may exercise, in Lender's or Borrower's name, all rights and remedies available to Borrower with respect to collection of Rents. Nothing herein contained shall be construed as obligating Lender to perform any of Borrower's obligations under any of the Leases.

6.3. Borrower's Representations and Warranties. Borrower hereby represents and warrants to Lender that Borrower has not executed and will not execute any other assignment of said Leases or Rents, that Borrower has not performed and will not perform any acts and has not executed and will not execute any instrument which would prevent Lender from exercising its rights under this Article VI, and that at the time of execution of this Deed of Trust there has been no anticipation or prepayment of any of the Rents of the Property for more than two (2) months prior to the due dates thereof. Borrower will execute and deliver to Lender such further assignments of rents and leases of the Property as Lender may from time to time request.

6.4. Leases of the Property. Borrower will comply with and observe Borrower's obligations as landlord under all Leases and will do all that is necessary to preserve all Leases in force and free from any right of counterclaim, defense or setoff. At Lender's request, Borrower will furnish Lender with executed copies of all Leases now existing or hereafter made and all Leases hereafter entered into will be on a form and in substance satisfactory to Lender. All



200003080098

Kathy Hill, Skagit County Auditor

3/8/2000 Page 15 of 28 1:19:36PM

EXHIBIT "A"

Leases will specifically provide that the tenant attorns to any person succeeding to the interest of Borrower upon any foreclosure of this Deed of Trust or conveyance in lieu thereof; such attornment shall be in such form as Lender may approve but shall provide that Tenant shall not have the right of set off or defense to payment of rents for any event or act that occurred prior to such successor obtaining title to Borrower's interest except to the extent such event or act is continuing at the time such successor obtains such title. Tenant must also agree to execute such further evidences of attornment as Lender may from time to time request. Without Lender's written consent, Borrower will not collect or accept payment of any Rents of the Property or any part thereof more than two (2) months prior to the due dates thereof; will not execute, modify, surrender or terminate any Lease now existing or hereafter made providing for a term (including any renewal term(s)) of five (5) years or more, will not in any manner waive, discharge, release or modify the obligations of any tenant or other occupant of the Property or any part thereof under any Lease, or request or consent to the subordination of any Lease to any lien subordinate to this Deed of Trust.

6.5. Lender in Possession, Appointment of Receiver. Upon any Event of Default hereunder, Lender may, in person, by agent or by a court-appointed receiver, regardless of the adequacy of Lender's security, enter upon and take and maintain full control of the Property or any part thereof in order to perform all acts necessary and appropriate for the operation and maintenance thereof in the same manner and to the same extent as Borrower could do the same, including without limitation the execution, enforcement, cancellation and modification of Leases, the collection of all Rents of the Property or any part thereof, the removal and eviction of tenants and other occupants, the making of alterations and repairs to the Property, and the execution and termination of contracts providing for management or maintenance of the Property or any part thereof, all on such terms as are deemed best by Lender to protect the security of this Deed of Trust. From and after the occurrence of any such Event of Default, if any owner of the Property or any part thereof shall occupy the Property or part thereof such owner shall pay to Lender in advance on the first day of each month a reasonable rental for the space so occupied, and upon failure so to do Lender shall be entitled to remove such owner from the Property by any appropriate action or proceedings. Following an Event of Default hereunder, Lender shall be entitled (regardless of the adequacy of Lender's security) to the appointment of a receiver, Borrower hereby consenting to the appointment of such receiver. Said receiver may serve without bond and may be Lender or an employee of Lender. The receiver shall have, in addition to all the rights and powers customarily given to and exercised by such receivers, all the rights and powers granted to Lender in this Article VI. Lender or the receiver shall be entitled to receive a reasonable fee for so managing the Property.

6.6. Application of Rents. All Rents collected subsequent to delivery of written notice by Lender to Borrower of an Event of Default hereunder shall be applied first to the costs, if any, of taking control of and managing the Property or any part thereof and collecting the Rents, including without limitation attorneys' fees, receiver's fees, premiums or receiver's bonds, costs of maintenance and repairs to the Property, premiums on insurance policies, taxes, assessments



200003080098

Kathy Hill, Skagit County Auditor

3/8/2000 Page 16 of 28 1:19:36PM

EXHIBIT "A"

and other charges on the Property, and the costs of discharging any obligation of liability of Borrower under the Leases, and then to the indebtedness secured hereby. Lender or the receiver shall be liable to account only for those Rents actually received. Lender shall not be liable to Borrower, anyone claiming under or through Borrower or anyone having an interest in the Property by reason of anything done or left undone by Lender under this Article VI.

6.7. Deficiencies. To the extent, if any, that the costs of taking control of and managing the Property or any part thereof, collecting the Rents, and discharging obligations and liabilities of Borrower under the Leases, exceed the Rents of the Property, the excess sums expended for such purposes shall be indebtedness secured by this Deed of Trust. Such excess sums shall be payable, upon demand by Lender, and shall bear interest from the date of disbursement at the default interest rate under the Agreement, or the maximum rate which may be collected from Borrower therefor under applicable law if that is less.

6.8. Lender Not Mortgagee in Possession. Nothing herein shall constitute Lender a "mortgagee in possession" prior to its actual entry upon and taking possession of the Property or any part thereof, entry upon and taking possession by a receiver not constituting possession by Lender.

6.9. Enforcement. Lender may enforce this assignment without first resorting to or exhausting any security or collateral for the indebtedness. This assignment shall terminate at such time as this Deed of Trust ceases to secure payment of indebtedness held by Lender.

ARTICLE VII
EVENTS OF DEFAULT

7.1. Events of Default. The following shall each constitute an event of default ("Event of Default"):

(a) If Borrower shall fail to perform any obligation under the Note.

(b) If Borrower shall default in the due observance or performance of any of their obligations under the Loan Documents other than payment of money and such default shall not be curable, or if curable shall continue for a period of thirty (30) days after written notice thereof from Lender to Borrower (unless such default, if curable, requires work to be performed, acts to be done or conditions to be remedied which by their nature cannot be performed, done or remedied, as the case may be, within such thirty (30) day period and Borrower shall commence to cure such default within such thirty (30) day period and shall thereafter diligently and continuously process the same to completion, but in no event shall the period for cure exceed ninety (90) days unless otherwise agreed by Lender).



200003080098

Kathy Hill, Skagit County Auditor

EXHIBIT "A"

(c) If voluntary or involuntary proceedings under the Federal Bankruptcy Code, as amended, shall be commenced by or against Borrower, or bankruptcy, receivership, insolvency, reorganization, dissolution, liquidation or other similar proceedings shall be instituted by or against Borrower with respect to all or any part of Borrower's property under the Federal Bankruptcy Code, as amended, or other law of the United States or of any state or other competent jurisdiction, and if such proceedings are instituted against Borrower, and it shall consent thereto or shall fail to cause the same to be discharged within sixty (60) days.

(d) If subsequent to the date of this Deed of Trust, any governmental entity having jurisdiction over the Property or any part thereof passes any law (i) which renders payment of the amount due under the Loan Documents and/or performance of the Borrower's obligations under the Loan Documents by Borrower unlawful, or (ii) which prohibits Lender from exercising any of its material or substantial rights and remedies under the Loan Documents.

(e) If any material representation or warranty made by Borrower or others in, under or pursuant to the Loan Documents (including, but not limited to, any representation or warranty made in this Deed of Trust) shall prove to have been false or misleading in any material respect as of the date on which such representation or warranty was made.

(f) If any of the Buildings to be constructed on the Property are demolished or removed or demolition or removal thereof is imminent, eminent domain proceedings and casualty events excepted.

(g) If the holder of any deed of trust or any other lien on the Property (without hereby implying Lender's consent to any such deed of trust or lien) institutes foreclosure or other proceedings for the enforcement of its remedies thereunder, or if a default exists under any other deed of trust or lien on the Property and such default shall continue for a period of ten (10) business days after written notice thereof is received by Borrower or Lender (whoever first receives such notice) notwithstanding any provision in the Loan Documents or in any other document to the contrary with respect to notice and right to cure being provided to Borrower.

7.2. Form of Notice. At Lender's option, any written notice of default required to be given to Borrower under the Agreement may be given in the form of a statutory notice of default under the Washington Deed of Trust Act or any other form which conforms to the requirements of paragraph 10.11 hereof.



200003080098

Kathy Hill, Skagit County Auditor

3/8/2000 Page 18 of 28 1:19:36PM

EXHIBIT "A"

**ARTICLE VIII
REMEDIES**

8.1. Acceleration Upon Default; Additional Remedies. Upon an Event of Default hereunder, Lender may, at its option and without notice to or demand upon Borrower, exercise any one or more of the following actions:

- (a) Declare any or all indebtedness secured by this Deed of Trust to be due and payable immediately.
- (b) Bring a court action to enforce the provisions of this Deed of Trust or any of the indebtedness or obligations secured by this Deed of Trust.
- (c) Foreclose this Deed of Trust as a mortgage.
- (d) Cause any or all of the Property to be sold under the power of sale granted by this Deed of Trust in any manner permitted by applicable law.
- (e) Elect to exercise its rights with respect to the Leases and the Rents (notice of exercising this right will be given by Lender to Borrower).
- (f) Exercise any or all of the other rights and remedies provided for herein or in any other Loan Document.
- (g) Exercise any other right or remedy available under law or in equity.

8.2. Exercise of Power of Sale. For any sale under the power of sale granted by this Deed of Trust, Lender or Trustee shall record and give all notices required by law and then, upon the expiration of such time as is required by law, Trustee may sell the Property or any part thereof upon any terms and conditions specified by Lender and permitted by applicable law. Trustee may postpone any sale by public announcement at the time and place noticed for the sale. If the Property includes several lots or parcels, Lender in its discretion may designate their order of sale or may elect to sell all of them as an entirety. The Property, real, personal and mixed, may be sold in one parcel. To the extent any of the Property sold by the Trustee is personal property, then Trustee shall be acting as the agent of the Lender in selling such Property. Any person permitted by law to do so may purchase at any sale. Upon any sale, Trustee will execute and deliver to the purchaser or purchasers a deed or deeds conveying the Property sold, but without any covenant or warranty, express or implied, and the recitals in the Trustee's deed showing that the sale was conducted in compliance with all the requirements of law shall be prima facie evidence of such compliance and conclusive evidence thereof in favor of bona fide purchasers and encumbrances for value.



200003080098

EXHIBIT "A"

8.3. Application of Sale Proceeds. The proceeds of any sale under this Deed of Trust will be applied in the following manner:

FIRST: Payment of the costs and expenses of the sale, including without limitation Trustee's fees, legal fees and disbursements, title charges and transfer taxes, and payment of all expenses, liabilities and advances of Trustee, together with interest on all advances made by Trustee from date of disbursement at the interest rate of 8.75% per annum or at the maximum rate permitted to be charged by Trustee under the applicable law if that is less.

SECOND: Payment of all sums expended by Lender under the terms of this Deed of Trust and not yet repaid, together with interest on such sums from date of disbursement at the interest rate of 8.75% per annum or the maximum rate permitted by applicable law if that is less.

THIRD: Payment of all other indebtedness arising under the Note or otherwise secured by this Deed of Trust in any order that the Lender chooses.

FOURTH: The remainder, if any, to the person or persons legally entitled to it.

8.4. Waiver of Order of Sale and Marshaling. Lender shall have the right to determine the order in which any or all portions of the secured indebtedness are satisfied from the proceeds realized upon the exercise of any remedies provided herein. Borrower, any party who consents to this Deed of Trust, and any party who now or hereafter acquires a security interest in the Property or any part thereof and who has actual or constructive notice hereof, hereby waive any and all right to require marshaling of assets in connection with the exercise of any of the remedies permitted by applicable law or provided herein, or to direct the order in which any of the Property will be sold in the event of any sale under this Deed of Trust.

8.5. Non-Waiver of Defaults. The entering upon and taking possession of the Property or any part thereof, the collection of Rents or the proceeds of fire and other insurance policies or compensation or awards for any taking or damage of the Property or any part thereof, and the application or release thereof as herein provided, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

8.6. Expenses During Redemption Period. If this Deed of Trust is foreclosed as a mortgage and the Property or any part thereof sold at a foreclosure sale, the Purchaser may during any redemption period allowed, make such repairs or alterations on the Property as may be reasonably necessary for the proper operation, care, preservation, protection and insuring thereof. Any sums so paid together with interest thereon from the time of such expenditure at the default rate of interest stated in the Agreement or the highest lawful rate if that is less shall be added to and become a part of the amount required to be paid for redemption from such sale.



200003080098

Kathy Hill, Skagit County Auditor

3/8/2000 Page 20 of 28 1:19:36PM

EXHIBIT "A"

8.7. Foreclosure Subject to Tenancies. Lender shall have the right at its option to foreclose this Deed of Trust subject to the rights of any tenant or tenants of the Property.

8.8. Remedies Cumulative. To the extent permitted by law, every right and remedy provided in this Deed of Trust is distinct and cumulative to all other rights or remedies under this Deed of Trust or afforded by law or equity or any other agreement between Lender and Borrower, and may be exercised concurrently, independently or successively, in any order whatsoever. Lender may exercise any of its rights and remedies at its option without regard to the adequacy of its security.

9. Lender's and Trustee's Expenses. Borrower will pay all of Lender's and Trustee's expenses incurred in any efforts to enforce any terms of this Deed of Trust, whether or not any suit is filed, including without limitation legal fees and disbursements, foreclosure costs and title charges. All such sums, with interest thereon, shall be additional indebtedness of Borrower secured by this Deed of Trust. Such sums shall be immediately due and payable and shall bear interest from the date of disbursement at the interest rate of 8.75% per annum, or the maximum rate which may be collected from Borrower under applicable law if that is less.

ARTICLE IX
GENERAL

9.1. Application of Payments. Except as applicable law or this Deed of Trust may otherwise provide, all payments received by Lender under the Loan Documents shall be applied by Lender, in its discretion, to any sum due from Borrower.

9.2. Reconveyance. Upon payment of all sums secured by this Deed of Trust, Lender shall request Trustee to reconvey the Property and shall surrender this Deed of Trust and all notes evidencing indebtedness secured by this Deed of Trust to Trustee. Trustee shall reconvey the Property without warranty to the person or persons legally entitled thereto. The grantee in any reconveyance may be described as the "person or persons legally entitled thereto," and the recitals therein of any matters or facts shall be conclusive proof of the truthfulness thereof. Such person or persons shall pay Trustee's reasonable costs incurred in so reconveying the Property.

9.3. Successor Trustee. In accordance with applicable law, Lender may from time to time appoint a successor trustee to any Trustee appointed hereunder. Without conveyance of the Property, the successor trustee shall succeed to all the title, power and duties conferred upon the Trustee herein and by applicable law.

9.4. Lender's Powers. Without affecting the liability of any person for payment or performance of the Secured Obligations or any of Lender's rights or remedies, Lender, at its option, may extend the time for payment of the indebtedness secured hereby or any part thereof, reduce payment thereon, release anyone liable on any of said indebtedness, accept a renewal note



200003080098

Kathy Hill, Skagit County Auditor

3/8/2000 Page 21 of 28 1:19:36PM

EXHIBIT "A"

or notes therefor, modify the terms and time of payment of the indebtedness, release the lien of this Deed of Trust on any part of the Property, take or release other or additional security, release or reconvey or cause to be released or reconveyed all or any part of the Property, or consent and/or cause Trustee to consent to the making of any map or plat of the Property or any part thereof, consent or cause Trustee to consent to the granting of any easement or creating any restriction on the Property, or join or cause Trustee to join in any subordination or other agreement affecting this Deed of Trust or the lien or charge hereof. Borrower shall pay Lender a reasonable service charge, together with such title insurance premiums and attorneys' fees as may be incurred at Lender's option, for any such action if taken at Borrower's request.

9.5 No Violation of Usury Laws. Interest, fees and charges collected or to be collected in connection with the indebtedness secured hereby shall not exceed the maximum, if any, permitted by any applicable law. If any such law is interpreted so that said interest, fees and/or charges would exceed any such maximum and Borrower is entitled to the benefit of such law, then: (a) such interest, fees and/or charges shall be reduced by the amount necessary to reduce the same to the permitted maximum; and (b) any sums already paid to Lender which exceeded the permitted maximum will be refunded. Lender may choose to make the refund either by treating the payments, to the extent of the excess, as prepayments of principal or by making a direct payment to the person(s) entitled thereto. No prepayment premium shall be assessed on prepayments under this paragraph. The provisions of this paragraph shall control over any inconsistent provision of this Deed of Trust or any other Loan Documents.

9.6 Additional Documents, Power of Attorney. Borrower, from time to time, will execute, acknowledge and deliver to Lender upon request, and hereby irrevocably appoints Lender its attorney-in-fact to execute, acknowledge, deliver and, if appropriate, file and record such security agreements, assignments for security purposes, assignments absolute, financing statements, affidavits, certificates and other documents, in form and substance satisfactory to Lender, as Lender may request in order to perfect, preserve, continue, extend or maintain the assignments herein contained, the lien and security interest under this Deed of Trust, and the priority thereof Borrower will pay to Lender upon request therefor all costs and expenses incurred in connection with the preparation, execution, recording and filing of any such document.

9.7. Waiver of Statute of Limitations. To the full extent Borrower may do so, Borrower hereby waives the right to assert any statute of limitations as a defense to the enforcement of the lien of this Deed of Trust or to any action brought to enforce any other obligation secured by this Deed of Trust.

9.8. Forbearance by Lender Not a Waiver. Any forbearance by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any right or remedy, and no waiver by Lender of any particular default by Borrower shall constitute a waiver of any other default or of any similar default in the future.



200003080098

Kathy Hill, Skagit County Auditor

3/8/2000 Page 22 of 28 1:19:36PM

EXHIBIT "A"

Without limiting the generality of the foregoing, the acceptance by Lender of payment of any sum secured by this Deed of Trust after the due date thereof shall not be a waiver of Lender's right to either require prompt payment when due of all other sums so secured or to declare a default for failure to make prompt payment. The procurement of insurance or the payment of taxes or other liens or charges by Lender shall not be a waiver of Lender's right to accelerate the maturity of the indebtedness secured by this Deed of Trust, nor shall Lender's receipt of any awards, proceeds or damages under paragraphs 2.3 and 2.7 hereof operate to cure or waive Borrower's default in payment of sums secured by this Deed of Trust.

9.9. Modifications and Waivers. This Deed of Trust cannot be waived, changed, discharged or terminated orally, but only by an instrument in writing signed by the party against whom enforcement of any waiver, change, discharge or termination is sought.

9.10. Notice. Any notice or demand that either party desires to give to the other shall be in writing and either delivered personally, by a courier service such as Federal Express or by certified mail return receipt requested, addressed as follows:

TO LENDER:

Chevron Products Company, a division of
Chevron U.S.A. Inc.
5959 Corporate Drive, Suite 3500
Houston, Texas 77036
Attn: Retail/Acquisitions

TO BORROWER:

Transmart Petroleum, L. L. C.
P. O. Box 338
Bellingham, Washington 98227

Either party may change its address by notifying the other in writing of the change. Any notice or demand delivered by mail shall be deemed delivered three days after it has been mailed as provided for herein.

9.11. Governing Law; Severability; Captions. This Deed of Trust shall be governed by the laws of the State of Washington. If any provision or clause of this Deed of Trust conflicts with applicable law, such conflicts shall not affect other provisions or clauses hereof which can be given effect without the conflicting provision, and to this end the provisions hereof are declared to be severable. The captions and headings of the paragraphs and articles of this Deed of Trust are for convenience only and are not to be used to interpret or define the provisions hereof.



200003080098

Kathy Hill, Skagit County Auditor

EXHIBIT "A"

9.12. Definitions. As used herein: the term "Borrower" means the Borrower herein named, together with any subsequent owner of the Property or any part thereof or interest therein; the term "Trustee" means the Trustee herein named, together with any successor Trustee; and the term "Lender" means the Lender herein named, or any successor or assign thereof.

9.13. Successors and Assigns Bound; Joint and Several Liability; Agents. This Deed of Trust shall bind and inure to the benefit of the parties hereto and their respective heirs, devisees, legatees, administrators, executors, successors and assigns, subject to the provisions of Article IV hereof. All representations, warranties and obligations of Borrower hereunder are joint and several. In exercising any rights hereunder or taking actions provided for herein, Lender and Trustee may act through their respective employees, agents or independent contractors as authorized by Lender and Trustee.

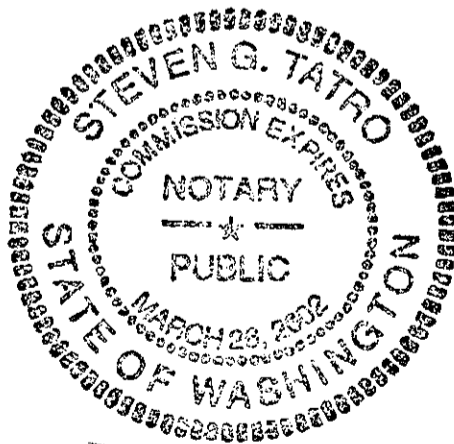
9.14. Number; Gender. This Deed of Trust shall be construed so that wherever applicable use of the singular number shall include the plural number, and vice versa, and the use of any gender shall be applicable to all genders.

9.15. Time. Time is of the essence in connection with all obligations of Borrower herein.

9.16. Request for Notice. Borrower hereby requests that a copy of any notice of default and notice of sale hereunder be mailed to it as provided in paragraph 9.10 above.

ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, EXTEND CREDIT, OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.

IN WITNESS WHEREOF, Borrower has executed this Deed of Trust as of the date first above written.



[Signature]
BELLINGHAM, WA
DATED. MAR 3, 2000

BORROWER:

TRANSMART PETROLEUM, L. L. C

By:

[Signature]
CEO



200003080098

Kathy Hill, Skagit County Auditor

3/8/2000 Page 24 of 28 1:19:36PM

STATE OF WASHINGTON, } ss.

ACKNOWLEDGMENT - Corporate

County of

On this 3RD day of MARCH, 2000, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared EDWARD A. LOWSKY

and _____ to me known to be the CEO President and _____ Secretary, respectively, of TRANSMART PETROLEUM LLC

the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that EDWARD A. LOWSKY authorized to execute the said instrument and that the seal affixed (if any) is the corporate seal of said corporation.

Witness my hand and official seal hereto affixed the day and year first above written.



[Handwritten Signature]

Notary Public in and for the State of Washington,
residing at BELLINGHAM, WA

My appointment expires MARCH 26, 2002

This jurat is page _____ of _____ and is attached to _____ dated _____



200003080098
Kathy Hill, Skagit County Auditor
3/8/2000 Page 25 of 28 1:19:36PM

EXHIBIT "A"

PARCEL 1A

Lots 14, 15 and 16, Block 99, AMENDED PLAT OF BURLINGTON, according to the plat thereof recorded in Volume 3 of Plats, page 17, records of Skagit County, Washington;

EXCEPT that portion conveyed to The City of Burlington on November 9, 1989, under Auditor's File No. 8911090028, records of Skagit County, Washington.

Situated in Skagit County, Washington.

PARCEL 1B

Lots 1, 2, 3, 4 and 5, Block 6, TOWN OF WOOLLEY, according to the plat thereof recorded in Volume 2 of Plats, page 92, records of Skagit County, Washington.

Situated in Skagit County, Washington.

PARCEL 1C

Lots 15, 16, 17 and 18, Block 2, EASTERN ADDITION TO MOUNT VERNON, according to the plat thereof recorded in Volume 2 of Plats, page 100, records of Skagit County, Washington.

Situated in Skagit County, Washington.

PARCEL 1D

All that portion of the Burlington Northern and Santa Fe Railway Company's right-of-way in the Southeast Quarter of the Southeast Quarter of Section 2, Township 34 North, Range 3 East of the Willamette Meridian, described as follows:

The Southeasterly 125.0 feet of The Burlington and Santa Fe Railway Company's (formerly Great Northern Railway Company) 200.0 foot wide Station Ground property at Avon, Washington, being 50.0 feet wide on the Northwesterly side and 150.0 feet wide on the Southeasterly side of said Railway Company's Main Track centerline, as now located and constructed upon, over and across the Southeast quarter of the Southeast Quarter of Section 2, Township 34 North, Range 3 East of the Willamette Meridian, lying between two lines drawn parallel with and distant, respectively, 25.0 feet and 150.0 feet Southeasterly, as measured at right angles from said Main Track centerline, bounded on the Southwest by the Northwesterly extension of the Northeasterly line of 60.0 foot wide Main Street, according to the recorded Plat of Avon, and bounded on the Northeast by a line drawn parallel with and distant 275.0 feet Northeasterly, as measured at right angles from said Northwesterly extension of the Northeasterly line of 60.0 foot wide Main street.



200003080098

Kathy Hill, Skagit County Auditor

EXHIBIT "A"

EXCEPT the right-of-way of Drainage District No. 13, as condemned in Skagit County Superior Court Cause No. 8889, records of Skagit County, Washington, if any.

Situated in Skagit County, Washington.

PARCEL 2

Lots 15, 16, 17 and 18, Block 2, "EASTERN ADDITION TO MOUNT VERNON", according to the plat thereof recorded in Volume 2 of Plats, page 100, records of Skagit County, Washington.

Situated in Skagit County, Washington.

PARCEL 3

Lots 14, 15 and 16, Block 99, "AMENDED PLAT OF BURLINGTON", according to the plat thereof, recorded in Volume 3 of Plats, page 17, records of Skagit County, Washington.

EXCEPT that portion conveyed to The City of Burlington on November 9, 1989, under Auditor's File No. 8911090028, records of Skagit County, Washington.

Situated in Skagit County, Washington.

PARCEL 4

Lots 1, 2, 3, 4 and 5, Block 6, "TOWN OF WOOLLEY", according to the plat thereof recorded in Volume 2 of Plats, page 92, records of Skagit County, Washington.

Situated in Skagit County, Washington.

PARCEL 5

All of Lots 5, 6, 7 and 8, Block 19, "Hawley and Lawrences Addition To Lynden," according to the plat thereof, recorded may 21, 1888 in Volume 1 of plats, page 46, records of Whatcom County, Washington.

Situated in Whatcom County, Washington.



200003080098

Kathy Hill, Skagit County Auditor

3/8/2000 Page 27 of 28 1:19:36PM

EXHIBIT "A"

PARCEL 6

Beginning at the point of intersection of the Southerly right of way line of the Chicago, Milwaukee and St. Paul railroad and the Northerly line of County Road, which point bears South $34^{\circ} 05' 24''$ East 4768.90 feet from the section corner common to sections 25 and 36, Township 39 North, range 4 East of W.M., and sections 30 and 31, Township 39 North, range 5 East of W.M., which point also bears North $52^{\circ} 37' 20''$ West 265.96 feet from Station 246 plus 40.8 E.C. of said Chicago, Milwaukee and St. Paul railroad survey; running thence North $41^{\circ} 46'$ West along said Southerly right-of-way line 607.70 feet; thence South $27^{\circ} 21'$ west 171.30 feet to a point on the Northerly line of County Road #289; running thence Southeasterly along said Northerly line of County Road. A distance of 570.9 feet more or less, to the point of beginning, all lying in lot 5, Section 31, Township 39 North, range 5 East of W.M.;

Except the Northwesterly 100 feet thereof as conveyed to Puget Sound Power and Light Company by deed dated February 2, 1954 and recorded as Auditor's File no. 768824.

Situated in Whatcom County, Washington.



200003080098
Kathy Hill, Skagit County Auditor
3/8/2000 Page 28 of 28 1:19:36PM