



200006020048

Kathy Hill, Skagit County Auditor
6/2/2000 Page 1 of 4 10:19:43AM**AFTER RECORDING MAIL TO:**Name James Pipers
Address 80 Cascade Key
City/State Bellevue WA 98006**Deed of Trust**

(For Use in the State of Washington Only)

**First American Title
Insurance Company**THIS DEED OF TRUST, made this 23 day of May,
19 2000, BETWEEN APPLE TREE CORNER
a Washington Corporation, GRANTOR,
whose address is 17447 Peterson Rd.
Burlington WA 98233

(this space for title company use only)

and ~~FIRST AMERICAN TITLE INSURANCE COMPANY~~, a California corporation as TRUSTEE, whose address
is ~~and FIRST AMERICAN TITLE INSURANCE~~and James T. Pipers Trustee, Pipers Trust 10.30.90
BENEFICIARY, whose address is 80 Cascade Key Bellevue WA 98006, WITNESSETH: Grantor hereby bargains, sells and conveys to Trustee in Trust,
with power of sale, the following described real property in Skagit County, Washington:TRACT 1B of that certain survey recorded February 25, 1983 under Auditor's File
No. 8302250027 in Volume 4 of surveys, page 85, records of Skagit County,
Washington; being a portion of the west one half (1/2) of the west one half (1/2)
of Government Lot 2 of Section 6, Township 34 North, Range 4 East, W.M.TOGETHER WITH a non-exclusive easement for ingress, egress and utilities as
set forth in that certain "Declaration of Easements, Covenants and Road
Maintenance Agreement", dated March 10, 1983, recorded March 10, 1983 under
Auditor's File No. 8303100034-P23610-340406-0-016-0028

See Exhibit "A" for additional terms, which are incorporated herein by this reference.

which has the address of 730 Peterson Rd. Burlington WAwhich real property is not used principally for agricultural or farming purposes, together with all the tenements, hereditaments,
and appurtenances now or hereafter thereunto belonging or in any wise appertaining, and the rents, issues and profits thereof.
This deed is for the purpose of securing performance of each agreement of grantor herein contained, and payment of the sum ofSixty Thousand 00/100 Dollars (\$ 60,000.00)with interest, in accordance with the terms of a promissory note of even date herewith, payable to Beneficiary or order, and made
by Grantor, and all renewals, modifications and extensions thereof, and also such further sums as may be advanced or loaned by
Beneficiary to Grantor, or any of their successors or assigns, together with interest thereon at such rate as shall be agreed upon.

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

1. To keep the property in good condition and repair; to permit no waste thereof; to complete any building, structure or improvement being built or about to be built thereon; to restore promptly any building, structure or improvement thereon which may be damaged or destroyed; and to comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting the property.
2. To pay before delinquent all lawful taxes and assessments upon the property; to keep the property free and clear of all other charges, liens or encumbrances impairing the security of this Deed of Trust.
3. To keep all buildings now or hereafter erected on the property described herein continuously insured against loss by fire or other hazards in an amount not less than the total debt secured by this Deed of Trust. All policies shall be held by the Beneficiary, and be in such companies as the Beneficiary may approve and have loss payable first to the Beneficiary, as its interest may appear, and then to the Grantor. The amount collected under any insurance policy may be applied upon any indebtedness hereby secured in such order as the Beneficiary shall determine. Such application by the Beneficiary shall not cause discontinuance of any proceedings to foreclose this Deed of Trust. In the event of foreclosure, all rights of the Grantor in insurance policies then in force shall pass to the purchaser at the foreclosure sale.
4. To defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee, and to pay all costs and expenses, including cost of title search and attorney's fees in a reasonable amount, in any such action or proceeding, and in any suit brought by Beneficiary to foreclose this Deed of Trust.
5. To pay all costs, fees and expenses in connection with this Deed of Trust, including the expenses of the Trustee incurred in enforcing the obligation secured hereby and Trustee's and attorney's fees actually incurred, as provided by statute.
6. Should Grantor fail to pay when due any taxes, assessments, insurance premiums, liens, encumbrances or other charges against the property hereinabove described, Beneficiary may pay the same, and the amount so paid, with interest at the rate set forth in the note secured hereby, shall be added to and become a part of the debt secured in this Deed of Trust.

IT IS MUTUALLY AGREED THAT:

1. In the event any portion of the property is taken or damaged in an eminent domain proceeding, the entire amount of the award or such portion as may be necessary to fully satisfy the obligation secured hereby, shall be paid to Beneficiary to be applied to said obligation.
2. By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive its right to require prompt payment when due of all other sums so secured or to declare default for failure to so pay.
3. The Trustee shall reconvey all or any part of the property covered by this Deed of Trust to the person entitled thereto, on written request of the Grantor and the Beneficiary, or upon satisfaction of the obligation secured and written request for reconveyance made by the Beneficiary or the person entitled thereto.
4. Upon default by Grantor in the payment of any indebtedness secured hereby or in the performance of any agreement contained herein, all sums secured hereby shall immediately become due and payable at the option of the Beneficiary. In such event and upon written request of Beneficiary, Trustee shall sell the trust property, in accordance with the Deed of Trust Act of the State of Washington, at public auction to the highest bidder. Any person except Trustee may bid at Trustee's sale. Trustee shall apply the proceeds of the sale as follows: (1) to the expense of the sale, including a reasonable Trustee's fee and attorney's fee; (2) to the obligation secured by this Deed of Trust; (3) the surplus, if any, shall be distributed to the persons entitled thereto.
5. Trustee shall deliver to the purchaser at the sale its deed, without warranty, which shall convey to the purchaser the interest in the property which Grantor had or had the power to convey at the time of his execution of this Deed of Trust, and such as he may have acquired thereafter. Trustee's deed shall recite the facts showing that the sale was conducted in compliance with all the requirements of law and of this Deed of Trust, which recital shall be prima facie evidence of such compliance and conclusive evidence thereof in favor of bona fide purchaser and encumbrancers for value.
6. The power of sale conferred by this Deed of Trust and by the Deed of Trust Act of the State of Washington is not an exclusive remedy; Beneficiary may cause this Deed of Trust to be foreclosed as a mortgage.
7. In the event of the death, incapacity, disability or resignation of Trustee, Beneficiary may appoint in writing a successor trustee, and upon the recording of such appointment in the mortgage records of the county in which this Deed of Trust is recorded, the successor trustee shall be vested with all powers of the original trustee. The trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Grantor, Trustee or Beneficiary shall be a party unless such action or proceeding is brought by the Trustee.
8. This Deed of Trust applies to, inures to the benefit of, and is binding not only on the parties hereto, but on their heirs, devisees, legatees, administrators, executors and assigns. The term Beneficiary shall mean the holder and owner of the note secured hereby, whether or not named as Beneficiary herein.

Margaret Maxwell
Pres.

Will J. Thomas
Sec. / Treas.

REQUEST FOR FULL RECONVEYANCE

Do not record. To be used only when note has been paid

TO: TRUSTEE.

The undersigned is the legal owner and holder of the note and all other indebtedness secured by the within Deed of Trust. Said note, together with all other indebtedness secured by said Deed of Trust, has been fully paid and satisfied; and you are hereby requested and directed, on payment to you of any sums owing to you under the terms of said Deed of Trust, to cancel said note above mentioned, and all other evidence of indebtedness secured by said Deed of Trust delivered to you herewith, together with the said Deed of Trust, and to reconvey, without warranty, to the parties designated by the terms of said Deed of Trust, all the estate now held by you thereunder.

Dated _____, 19____

Do not lose or destroy this Deed of Trust OR THE NOTE which it secures. Both must be delivered to the Trustee for cancellation before reconveyance will be made.

LPB-22 (11/96)



200006020048

Kathy Hill, Skagit County Auditor

6/2/2000 Page 2 of 4 10:19:43AM

EXHIBIT A TO DEED OF TRUST


1. The Note described in the Deed of Trust provides for the increase in the principal amount due under such Note, together with accrued and Additional Interest, as those terms are defined in the Note. This Deed of Trust secures all such sums hereafter owing under the Note. This Deed of Trust shall not be reconveyed until the entire principal balance of the Note, as that amount may be increased, together with all accrued interest and Additional Interest, have been paid in full.

2. As additional consideration for Lender entering into this transaction, and not as additional security, Borrower hereby assigns to Lender the rents of the Property; provided that Borrower may, prior to default under any of Borrower's obligations under this Deed of Trust, or the Note, collect and retain such rents as they become due and payable. In the event of default by Borrower in the performance of any of its obligations under either this Deed of Trust or the Note promptly when due, then Lender, in person, by agent, or by judicially appointed receiver, may enter upon, take possession of and manage the Property and collect the rents of the Property, including those past due. All rents collected by Lender or the receiver shall be applied first payment of the costs of management of the Property and collection of rents, including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorneys' fees, and then to the sum secured by this Deed of Trust. Lender and the receiver shall be liable to account only for those rents actually received.

3. After the principal balance of the Note and accrued ~~(but not Additional)~~ interest have been paid, Lender agrees to subordinate the priority of this deed of trust to a new first deed of trust; provided, that the maximum principal amount of such new deed of trust may not exceed ninety percent (90%) of the then "Base Value of the Property After Inflation," as that term is defined in Paragraph 4 of the Note. *N/A RDM*

4. This is a ^{FIFTEEN} Twenty-Five (25) ~~year~~ *N/A RDM* shared appreciation loan. The lender's interest includes:

"Additional Interest" equal one-half the difference between the net proceeds of sale and the Base Value of the property after inflation (subject to certain adjustments for additional capital improvements). This Additional Interest *N/A RDM* will be due in full upon the sale of the property.


200006020048
Kathy Hill, Skagit County Auditor
6/2/2000 Page 3 of 4 10:19:43AM

STATE OF WASHINGTON, }
County of _____ } ss.

ACKNOWLEDGMENT - Individual

On this day personally appeared before me _____
_____ to me known

to be the individual(s) described in and who executed the within and foregoing instrument, and acknowledged that _____
signed the same as _____ free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this _____ day of _____, 19 _____.

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

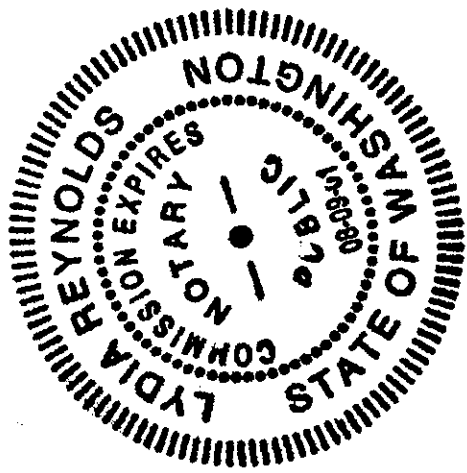
My appointment expires _____

STATE OF WASHINGTON, }
County of Skagit } ss.

ACKNOWLEDGMENT - Corporate

On this 2nd day of May, 2000, before me, the undersigned, a Notary Public in and for the State of
Washington, duly commissioned and sworn, personally appeared Margaret D Maxwell
_____ and William J. Thamer to me known to be the
✓ President and ✓ Secretary, respectively, of Apple Tree Corner
_____ 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 they are
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.



Lydia Reynolds

Lydia Reynolds
Notary Public in and for the State of Washington,
residing at MT Vernon

My appointment expires 8-9-2001

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



200006020048

Kathy Hill, Skagit County Auditor

6/2/2000 Page 4 of 4 10:19:43AM