

AFTER RECORDING, RETURN TO:

Covenant Mortgage Corporation
9725 SE 36th St., Suite 304
Mercer Island, WA 98040



200104300031
Skagit County Auditor

4/30/2001 Page 1 of 10 9:34:33AM

**SHORT FORM
DEED OF TRUST**

(CMC Loan No. 0109)

FIRST AMERICAN TITLE CO.
ACCOMMODATION RECORDING ONLY

M7542

Grantors: White, Timothy B. and Fay C.
Andover Park Limited Partnership, a WA limited partnership
Sunrise Estates Limited Partnership, a WA limited partnership

Grantee: Covenant Mortgage Corporation

Trustee: Robert B Spitzer

Abbreviated Legal Description:

Skagit County:

PTN NW1/4 SW1/4, 16-34-4 EWM aka ptn Trs. 1-4, SP MV-18-81 located in Skagit County (*Cascade West*).

Benton County:

PTN SW 1/4 1-8-29 WM located in Benton County, State of Washington (*Andover Park*). E 1/2 of Tract 8, Highlands Section 34, plt recorded Vol 2, page 57, Benton County, Washington (*Park Ridge*).

Franklin County:

PTN of the SW 1/4 of the SE 1/4 of 24-9N-29E, WM, in Franklin County, State of Washington (*Columbia Court*).

The complete legal description is located on Exhibit A found on page 9-10.

Tax Parcel Nos.:

Skagit County: 340416-3-011-0009, 350416-3-011-0207, 340416-3-011-0306

Benton County: 1-0189-300-0014-000 (*Andover*), 1-3499-407-0008-000 (*Park Ridge*)

Franklin County: 119-311-343 (*Columbia Court*).

Documents Assigned or Released: None

THIS DEED OF TRUST is made as of this 24th day of April, 2001, between Timothy B. White and Fay White, husband and wife, collectively referred to herein as GRANTOR, whose address for all purposes related hereto is 117 N. First, Mount Vernon, WA 98273, and Robert B. Spitzer, Esq., as TRUSTEE, whose address is 1191 Second Avenue, 18th floor, Seattle, WA 98101 and COVENANT MORTGAGE CORPORATION, as BENEFICIARY, whose address is 9725 SE 36th Street, Suite 304, Mercer Island, WA 98040.

Grantor hereby irrevocably grants, bargains, sells and conveys to Trustee in trust, with power of sale, the following described property (the "Property") in Skagit and Benton Counties, Washington:

See Exhibit A hereto, which is incorporated herein by this reference.

TOGETHER WITH all the tenements, hereditaments and appurtenances, now or hereafter thereunto belonging or in any way appertaining, including without limitation all irrigation, crop, timber, produce, mineral, subterranean, oil, lateral support, air, view and development rights, and the rents, issues and profits thereof and all other property or rights of any kind or nature whatsoever further set forth in the Master Form Deed of Trust hereinafter referred to and all other rights mentioned herein (included in the term "Property"), SUBJECT, HOWEVER, to the right, power and authority hereinafter given to and conferred upon Grantor to collect and apply such rents, issues and profits prior to default hereunder;

TOGETHER WITH all of Grantor's right, title and interest in and to all of its plans, specifications, surveys, plats, analyses, permits, reports, studies and entitlements related to the development of the Property described herein (referred to herein as "Plans and Permits");

TOGETHER WITH all easements, rights-of-way, rights of ingress and egress and all rights used in connection therewith or as a means of access thereto, streets, alleys, roads and all estates, rights, titles, interests, reversions, remainders, tenements, hereditaments and appurtenances thereof and thereto (all of which are included in the term "Property");

TOGETHER WITH all leasehold estate, right, title and interest of Grantor in, to and under all leases, subleases, tenancies, rental agreements, franchises or licenses covering the Property or any portion thereof now or hereafter existing or entered into, and all amendments, extensions, renewals and guaranties thereof, and all right, title and interest of Grantor thereunder ("Leases");

TOGETHER WITH all rents, income, issues and profits (including any payment(s) in exchange for lease termination or cancellation) of the Property and all



the estate, right, title and interest of every nature whatsoever of Grantor in, to and under the same and the Leases, including all cash or security deposits (whether held by Grantor or in a trust account), advance rentals, and deposits or payments of similar nature (all, the "Rents");

TOGETHER WITH all right, title and interest of Grantor in, to and under all options to purchase or lease the Property or any portion thereof or interest therein, and any greater estate in the Property owned or hereafter acquired; and all interests, estates or other claims, both in law and in equity, which Grantor now has or may hereafter acquire in the Property (also a part of the "Property"), whether by acquisition through a foreclosure sale or by deed or other conveyance;

TOGETHER WITH any and all of Grantor's chattels, fixtures, attachments, appliances, apparatus, equipment, fittings, furniture, furnishings, partitions, machinery and other articles of personal property now or hereafter located or to be located at the Property as a part of the Improvements thereon, or erected or placed upon, attached to, or used, to be used or useful in connection with the construction, operation, use or occupancy of the Property; all building materials, supplies and equipment now or hereafter delivered to the Property and intended to be installed thereon; and all renewals or replacements of any of the foregoing property or articles in substitution thereof ("Personal Property");

TOGETHER WITH all right, title and interest of Grantor in, to and under all accounts, documents, instruments, chattel paper and general intangibles (as those terms are used in the Uniform Commercial Code, RCW 62A), and all contracts and contract rights, (including all service contracts, management contracts, utility contracts, construction contracts and warranties relating thereto) franchises, books, records, plans, specifications, permits, licenses, approvals, sewer rights, actions and causes of action which now or hereafter relate to, are derived from or are used in connection with the Property, or relate to the use, operation, maintenance, occupancy or enjoyment thereof or the conduct of any business or activities thereon ("Intangibles");

TOGETHER WITH all unearned premiums accrued, accruing or to accrue under insurance policies now or hereafter obtained by Grantor, and all awards, judgments, claims, compensation, settlements and proceeds of condemnation or insurance for the Property or the personal property described herein or any part thereof to which Grantor is entitled for any taking of or casualty to all or any part of the Property or personal property by condemnation or exercise of the right of eminent domain or casualty; all refunds with respect to the payment of property taxes and assessments; and all other proceeds of the conversion, voluntary or involuntary, of the property described herein or any portion thereof into cash or liquidated claims ("Proceeds");



TOGETHER WITH all right, title and interest of Grantor in all utility, escrow and all other deposits (and all letters of credit, certificates of deposit, negotiable instruments and other rights and evidence of rights to cash) relating to the Trust Estate or the construction or operation of the Property (all, "Deposits");

The Property, Plans and Permits, Leases, Rents, Personal Property, the Intangibles, the Deposits and the Rents (together with all Proceeds, substitutions, replacements and additions relating to any of them) and all other property described above are governed by RCW 61.24 to the extent allowed by law, and are further assigned to Beneficiary for security purposes pursuant to a Security Agreement as defined in Article 9 of the U.C.C. (RCW 62A). All of the real and personal property described herein is hereinafter referred to as the "Collateral". Grantor agrees that within five days after Beneficiary's written request following Grantor's default under the obligations secured hereby (a) to deliver over to Beneficiary or its agent the tangible Collateral and instruments evidencing ownership of the Collateral, and (b) to execute written assignments and/or notices, acknowledgments or other documents deemed necessary or appropriate by Beneficiary relating to the Collateral.

THIS DEED IS FOR THE PURPOSE OF SECURING PERFORMANCE of each agreement of Grantor incorporated by reference or contained herein and the payment of the sum of TWO MILLION DOLLARS (\$2,000,000.00) with interest thereon according to the terms of a Promissory Note of even date herewith as part of the Beneficiary's loan referenced under the title of this document (the "Loan"), payable to Beneficiary or order and made by Grantor or Grantor's owner(s) or affiliate(s); all renewals, modifications or extensions thereof; and also such further sums as may be advanced or loaned by Beneficiary in connection with the Loan, together with interest thereon at such rate as is agreed upon; all fees, charges and other sums owed in connection with any agreements made by or between the parties; and all sums expended by Beneficiary to protect its security or the Collateral, including all costs and attorneys fees incurred in connection with challenges to Beneficiary's rights in the Collateral and the priority of Beneficiary's security interests and payments made by Beneficiary (at its sole discretion) to facilitate the sale of some or all of the Collateral.

Incorporated herein by this reference are the terms and conditions of the following agreements between some or all of the undersigned constituting Grantor and Beneficiary:

- Promissory Note dated this date
- Loan Agreement dated this date
- Mortgage Loan Application dated 4/23/01



In addition, if a Guaranty has been entered into in connection with the Loan, the terms thereof are incorporated herein and all monies due Beneficiary under the Guaranty are secured hereby. A breach or default under any of the incorporated agreements shall also be a breach or default under this Deed of Trust.

By executing and delivering this Deed of Trust and the Note secured hereby, the parties agree that all provisions of Paragraphs 1 through 35, inclusive, of the Master Form Deed of Trust hereinafter referred to, except such paragraphs as are specifically excluded or are modified or superseded herein, are hereby incorporated herein by reference and made an integral part hereof for all purposes the same as if set forth herein at length, and the Grantor hereby makes said covenants and agrees to fully perform all of said provisions. The Master Form Deed of Trust above referred to was recorded in the Official Records of the office of the Recorder of **Skagit County at Auditor's No. 716277** and the Recorder of **Benton County at Auditor's No. 592931** and the Recorder of **Franklin County at Auditor's No. 309636**.

A copy of such Master Form Deed of Trust is hereby furnished to the person executing this Deed of Trust and by executing this Deed of Trust the Grantor acknowledges receipt of such Master Form Deed of Trust.

Grantors warrant and represent that the Property is not presently and shall not be used principally for agricultural purposes.

Grantors and Borrowers acknowledge that they may be liable for a deficiency judgment after nonjudicial foreclosure of this trust deed for damages due to waste of the property or the wrongful retention of any rents, insurance proceeds, or condemnation awards by the Borrower or Grantor, to the extent set forth in R.C.W. 61.24.100. Those obligations are specifically carved out from the obligations secured by this deed of trust which are extinguished through a nonjudicial foreclosure. Grantor also hereby agrees to pay the costs of any property appraisals that may be obtained in connection with a suit for a deficiency judgment, which obligation is similarly carved out from the obligations secured by this deed of trust.

The following paragraphs of the Master Form Deed of Trust (hereinafter "MFDT") are hereby specifically excluded or modified:

1. Paragraph 2 of the MFDT is hereby amended to read as follows:

"This Deed of Trust also shall be deemed a Security Agreement as defined in the Uniform Commercial Code (RCW 62A) if and to the extent any of the property described in Section 1 of the MFDT or the Collateral are considered to be other than real estate by a court of law or equity, notwithstanding the provisions herein that it shall be considered real property subject to the Deed of Trust, and the remedies for



any violation of the covenants, terms and conditions of the agreements herein contained shall be (i) as prescribed herein, or (ii) by general law, or (iii) as provided in the Uniform Commercial Code with respect to said property, at Beneficiary's option. Grantor agrees that this provision shall not derogate from or impair the parties' intention that all of the rights, estates and property described in Section 1 of the MFDT and the Collateral shall be and are hereby considered part of the real estate irrespective of whether (i) any such item is physically attached to the improvements, (ii) serial numbers are used for the better identification of certain items, or (iii) a UCC financing statement is filed with reference to said property in connection with the loan secured hereby."

2. Paragraph 5 of the MFDT is hereby amended to read as follows:

"In the event that any payment or portion thereof is not paid within seven (7) days, commencing with the date it is due, Beneficiary may collect, and Grantor agrees to pay with such payment, a 'late charge' of ten cents (\$.10) for each dollar so overdue as liquidated damages for the additional expense of handling such delinquent payments."

3. Paragraph 8 of the MFDT is hereby amended as follows:

(i) Paragraph 8(d) is amended to read as follows: "That work shall not cease on the construction of such improvements for any reason whatsoever for a period of fifteen (15) or more consecutive days."

(ii) There is added to paragraph 8 a new subsection to read as follows: "(e) The right of Beneficiary to inspect, supervise or approve any plans and specifications, or any construction, materials or other aspects or phases of the project which is the subject hereof, is solely for the purpose of enabling Beneficiary to administer the debts secured hereby and to protect its security therefor, and no such inspection, supervision or approval shall be deemed to be for the benefit of any person or party other than Beneficiary; and no other person or party, including, without limitation, the Grantor or its successor or successors, shall have any right whatsoever to rely in any respect or to any extent upon any such inspection, supervision or approval by Beneficiary."

4. Paragraph 14 of the MFDT is hereby amended to add thereto the following provisions:

"(i) The provisions of paragraph 14, whenever applicable, shall be deemed to empower Beneficiary or Trustee to make advances or incur costs and expenses for inspecting the premises periodically, keeping the Collateral in good repair and protecting the premises from loss, waste, damage or injury;



(ii) Beneficiary or Trustee, as the case may be, shall be the sole and conclusive judge of the need for any advances made or expenses incurred under the terms of this paragraph 14;

(iii) The amount of the advances made or expenses incurred hereunder shall be added to the indebtedness secured hereby and may be recovered in full, together with interest thereon at the legal rate, by the Beneficiary."

5. Paragraph 25 of the MFDT is hereby amended as follows:

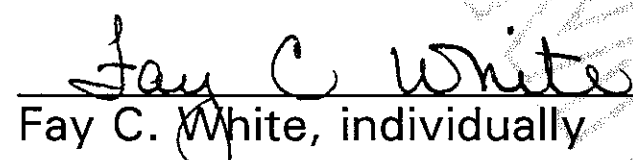
(i) Clause (c) thereof is hereby deleted and removed, and the following is added and substituted therefor: "Due on Sale. The Collateral will not be sold, conveyed, encumbered or transferred by Grantor without Beneficiary's prior written consent. If title to said Collateral shall pass from Grantor by deed or otherwise, or if said property is sold on contract, or if the property is vacated by Grantor, such change in title or occupancy shall be deemed to increase the risk of Beneficiary, and Beneficiary may declare the whole amount of principal and interest then unpaid on the Note secured hereby immediately due and payable, or may, at its sole option, consent to such change in title or occupancy and increase the interest rate on said Note." Notwithstanding the aforesaid, the undersigned may convey portions of the Collateral pursuant to the Partial Reconveyance provisions of the Mortgage Loan Application, if any."

(ii) There is added as an additional event of default under Clause (d) thereof the following: "(vii) a decision by any court of competent jurisdiction that this Deed of Trust is not in a lien position on the Property in at least as favorable position for the Beneficiary as set forth in the Mortgage Loan Application."

The undersigned Grantor requests that a copy of any Notice of Default and of any Notice of Sale hereunder be mailed to him at the address hereinbefore set forth.

WITNESS the hand(s) and seal(s) of the Grantor(s) on the day and year recorded in the acknowledgement(s) which follows.


Timothy B. White, individually


Fay C. White, individually



**Andover Park Limited Partnership,
a Washington limited partnership**

**Sunrise Estates Limited Partnership,
a Washington limited partnership**

By: _____

Timothy B. White, general partner

By: _____

Timothy B. White, general partner

STATE OF WASHINGTON)

COUNTY OF Skagit)

On this 26th day of April, 2001, before me the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared before me **Timothy B. White and Fay C. White aka Fay White**, the individuals described in and who executed the foregoing instrument, and acknowledged that they signed the same as their free and voluntary act and deed, for the use and purposes therein mentioned.

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



Name of Notary: _____

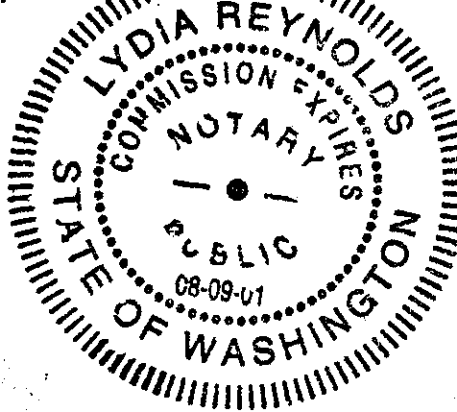
My commission expires: 8-9-2001

STATE OF WASHINGTON)

COUNTY OF Skagit)

On this 26th day of April 2001, before me personally appeared **Timothy B. White**, to me known to be the **General Partner** of both **Andover Park Limited Partnership, a Washington limited partnership** and **Sunrise Estates Limited Partnership, a Washington limited partnership** that executed the within and foregoing instrument, and acknowledged 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 he was authorized to execute said instrument on behalf of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.



Name of Notary: _____

My Commission expires: 8-9-2001



LEGAL DESCRIPTION

Loan Number: 0109

(Cascade West Apts.)

1521 N. 26th Street - Mnt. Vernon, WA

Tracts 1, 2, & 3, Mount Vernon Short Plat No. MV-18-81, approved September 28, 1981, recorded October 16, 1981, in Volume 5 of short plats, page 134, under Auditor's File No. 8110160023, records of Skagit County, Washington, being a portion of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 16, Township 34 North, Range 4 east, WM, in Skagit County, Washington, EXCEPT that portion of said Tract 1, described as follows:


Beginning at the northwest corner of said Lot 1; thence south 89 27'37" east, 135.00 feet along the North line of Lot 1 to the West line of Lot 4 of the said Short Plat MV-18-81; thence South 0 35'17" West, 30.30 feet along said west line; thence North 89 27'37" west, 135.00 feet parallel with the North line of said Lot 1 to the West line thereof; thence North 0 35'17" East, 30.30 feet along the west line of said Lot 1 to the point of beginning.

EXCEPT that portion of Tract 3 of said short plat No. MV-18-81, described as follows:

Beginning at the Southeast corner of said Lot 3; thence North 89 20'10" west, along the South line of said Lot 3, a distance of 15.00 feet; thence North 45 36'42" east a distance of 21.19 feet to the East line of said Lot 3; thence South 00 33'33" west, along the east line of said Lot 3, a distance of 15.00 feet to the point of beginning.

TOGETHER with that portion of Lot 4 of Mount Vernon Short Plat MV-18-81, approved September 28, 1981, and recorded October 16, 1981, in Book 5 of short Plats at page 134, under Auditor's File No. 8110160023, records of Skagit County, WA; being a portion of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 16, Township 34 North, Range 4 East, WM, being more particularly described as follows:

Beginning at the Southeast corner of that portion of said Lot 4, lying Westerly of North 26th Street; thence North 89 27'37" West, 125.37 feet along the South line of said Lot 4 to the Southwest corner thereof; thence North 0 35'17" east, 33.70 feet along the Westerly line of said lot 4; thence South 89 27'37" east, 118.12 feet parallel with the South line of said Lot 4 to the Easterly line of that portion of said Lot 4 (said line also being the Westerly margin of North 26th Street); thence along the arc of a curve to the left, concave to the Northeast, having an initial tangent bearing of South 9 59'13" east and radius of 630.00 feet, through a central angle of 3 08'05", an arc distance of 34.45 feet along said Easterly line of said portion of Lot 4 to the point of beginning. **Situate in the County of Skagit, State of Washington.**

Initials 



200104300031

, Skagit County Auditor

LEGAL DESCRIPTION

Loan Number: 0109

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(Columbia Court Apts.) 1712 N. 24th Road - Pasco, WA

That portion of the southwest $\frac{1}{4}$ of the southeast quarter of Section 24, Township 9 North, Range 29 East, WM, Franklin County, Washington, described as follows:

BEGINNING at the point on the West line of North 24th Avenue 30 feet West and 335 feet North of the Southeast corner of said Southwest $\frac{1}{4}$ of the southeast $\frac{1}{4}$ of Section 24; Thence continuing North along said West line of North 24th Avenue, a distance of 504.99 feet to a point; thence West parallel to the South boundary line of Ventura Heights, a distance of 469.40 feet to a point; Thence South a distance of 504.55 feet, which point is 469.46 feet West of the point of beginning; thence east a distance of 469.46 feet to the point of beginning. AND the West 162 feet of the South 12.75 acres of the East $\frac{1}{2}$ of the southwest $\frac{1}{4}$ of the southeast $\frac{1}{4}$ of Section 24, Township 9 North, range 29 east, WM, EXCEPT the south 335 feet thereof, all in Franklin County. Situate in Franklin County, State of Washington.

(Park Ridge Apts.) 3523 West Hood - Kennewick, WA

The east half of Tract 8, THE HIGHLANDS SECTION 34, according to the plat thereof recorded in Volume 2 of plats, page 57, records of Benton County, Washington.

EXCEPT the North 10 feet thereof conveyed to the City of Kennewick for street purposes by Deed recorded under Auditor's File No. 739632. Situate in the County of Benton, State of Washington.

(Andover Park Apts.) 601 S. Kent - Kennewick, WA

That portion of the Southwest quarter of Section 1, Township 8 North, Range 29 East, WM, Benton County, Washington described as follows:

Beginning at the intersection of South Olympia Street and West Fifth Avenue in the City of Kennewick, Benton County, Washington; thence South 88 45' East along the centerline of said West Fifth Avenue a distance of 1,067.93 feet; thence South 01 15' West a distance of 30.00 feet to the True Point of Beginning; thence continuing South 01 15' West a distance of 834.6 feet; thence South 88 27' East a distance of 15.06 feet; thence South 00 15' West a distance of 30.00 feet; thence South 88 27' 24" east a distance of 400.14 feet; thence North 00 23' 30" east a distance of 741.98 feet, more or less, to a point of the Southerly margin of West Fifth Avenue, said point being on a curve to the right, the center of which bears North 17 26' 15" East a distance of 330.00 feet, through a central angle of 18 00' 35", a distance of 103.73 feet ; thence continuing along said Southerly margin North 54 25' 30" West a distance of 59.64 feet; thence on a curve to the left, the center of which bears South 34 34' 30" West a distance of 270.00 feet, through a central angle of 34 19' 30" a distance of 161.75 feet; thence North 88 45' west a distance of 109.65 feet to the true point of beginning:

EXCEPT that portion thereof conveyed to the City of Kennewick for street purposes by Deed recorded under Auditor's File No. 708841. Situate in the County of Benton, State of Washington.

Initials 



