



200105040081

Skagit County Auditor

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When recorded return to

MICHAEL A. WINSLOW
Attorney at Law
411 Main Street
Mount Vernon, Washington 98273

SHORT FORM DEED OF TRUST

GRANTORS: John P. Little and Margaret L. Little, husband and wife

GRANTEES:

1. Beneficiary Sterling Trust Company, Trustee fbo Martin J. Vezzetti IRA #024149 as to an undivided 1/3 interest; Sterling Trust Company, Trustee fbo Phyllis Bolduc IRA #023252 as to an undivided 1/3 interest; and Sterling Trust Company, Trustee fbo Jerry Willins IRA #018075 as to an undivided 1/3 interest.
2. Trustee First American Title Insurance Company

LEGAL DESCRIPTION:

Portion Lot 4, Block 2, "McLeans 3rd Street to Mount Vernon"

Additional Legal Description located on Page 2

ASSESSOR'S PROPERTY TAX

PARCEL OR ACCOUNT NO. 3739-002-004-0202; 3739-002-004-0400; 3739-002-004-0004

REFERENCE NOS OF DOCUMENTS

ASSIGNED OR RELEASED:

CONVEYANCE:

This Deed of Trust is made on May 2, 2001 between Grantors, whose address is 3406 Alaska Road, Brier, WA 98036, and Trustee, whose address is P.O. Box 1667, Mount Vernon, WA 98273 and Beneficiary whose address is c/o Pension Portfolio Services, Inc., 1616 North 18th Street, Ste. 114, Mount Vernon, WA 98273.

Grantors hereby irrevocably grant, bargain, sell, and convey to Trustee in trust, with power of sale, all Grantors' estate, right, title, interest, claim and demand, now owned or hereafter acquired, in and to the following described property in Skagit County, Washington (the "Property," which term shall

include all or any part of the Property, any improvements thereon and all the property described in Section 1 of the Master Form Deed of Trust hereinafter referred to); which has the address of 1817 South Second, Mount Vernon, Washington 98273:

Parcel A

That portion of Lot 4, in Block 2, "McLEAN'S THIRD STREET ADDITION TO MOUNT VERNON," according to the plat recorded in Volume 3 of Plats, Page 66, records of Skagit County, Washington, lying South of a line which is 120 feet South of and parallel with the North line of said Lot, EXCEPT the East 30 feet thereof.

Parcel B

The South 60 feet of the North 120 feet of Lot 4, EXCEPT the East 138 feet thereof, in Block 2 of "McLEAN'S THIRD STREET ADDITION TO MOUNT VERNON," according to the recorded Plat thereof in Volume 3 of Plats, page 66, records of Skagit County, Washington.

Parcel C

The South 60 feet of the North 120 feet of the East 138 feet of Lot 4, Block 2, "McLEAN'S THIRD STREET ADDITION TO MOUNT VERNON," according to the recorded Plat thereof in the office of the Auditor of Skagit County, Washington in Volume 3 of Plats, page 66, records of Skagit County, Washington, EXCEPT the East 30 feet thereof.

TOGETHER WITH all the tenements, hereditments and appurtenances now or hereafter thereunto belonging or in anywise appertaining leases and other agreements for use and occupancy pertaining thereto 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 SUBJECT, HOWEVER, to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply such rents, issues and profit. This Deed of Trust shall constitute a security agreement under the Uniform Commercial Code of Washington between Grantors as debtor and Beneficiary as secured party. Grantors grant a security interest to Beneficiary in any of the property which is personal property and also grants a security interest in the property described in Section 2 of the Master Form Deed of Trust hereinafter referred to, now owned or hereafter acquired by Grantors (the Property as defined above, and the property described in said Section 2 are hereafter referred to as the "Collateral").

THIS DEED IS FOR THE PURPOSE OF SECURING the following:

- (a) Payment of the sum of One Hundred Fifty Thousand Dollars (\$150,000.00) with interest thereon according to the terms of a promissory note of even date herewith, payable to Beneficiary or order and made by Grantors (the "Note," which term shall include all notes evidencing the indebtedness secured by this Deed of Trust, including all renewals, modifications or extensions thereof);
- (b) Payment of any further sums advanced or loaned by Beneficiary to Grantors, or any of its successors or assigns, if:



(i) the note or other writing evidencing the future advance or loan specifically states that it is secured by this Deed of Trust; or

(ii) the advance, including costs and expenses incurred by Beneficiary, is made pursuant to this Deed of Trust or any other documents executed by Grantors evidencing, securing or relating to the Note and/or the Collateral, whether executed prior to, contemporaneously with or subsequent to this Deed of Trust (this Deed of Trust, the Note and such other documents, including any construction or other loan agreement are hereafter collectively referred to as the "Loan Documents") together with interest thereon at the rate set forth in the Note unless otherwise specified in the Loan Documents or agreed to in writing.

(c) Performance of each agreement, term and condition set forth or incorporated by reference in the Loan Documents, including without limitation the loan agreement and/or commitment dated and assignment of leases and/or rents of even date herewith, which are incorporated herein by reference, or contained herein.

By executing and delivering this Deed of Trust and the Note secured hereby, the parties agree that all provisions of Paragraphs 1 through 65 inclusive of the Master Form Deed of Trust hereinafter referred to, except such paragraphs as are specifically excluded or modified 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 Grantors freely make said covenants and agree to fully perform all of said provisions. The Master form Deed of Trust above referred to was recorded on the eleventh 11th day of August, 1987, in the Official Records of the offices of the county Auditors of the following counties in Washington in the book, and at the page designated after the name of each county, to-wit:

| COUNTY | BOOK OR VOL. | PAGE NO. | AUDITOR'S FILE NO. |
|--------------|--------------|----------|-----------------------|
| Adams | 142 | 305 | 213404 |
| Asotin | | | 175404 |
| Benton | 493 | 1125 | 87-12850 |
| Chelan | 880 | 1663 | 8708110050 |
| Clallam | 784 | 278 | 594433 |
| Clark | | 19 | 8708110009 |
| Columbia | 2H | 296 | H2135 |
| Cowlitz | | | 870811020 |
| Douglas | M224 | 76 | 245733 |
| Ferry | MF | | 205269 |
| Franklin | 0227 | 251 | 454027 |
| Garfield | | | 87248 |
| Grant | 634 | 109 | 804746 |
| Grays Harbor | 87 | 18669 | 870811031 |
| Island | 559 | 1756 | 87011073 |
| Jefferson | 243 | 338 | 309675 |
| King | | | 8708110560 |
| Kitsap | 432 | 682 | 8708110065 |
| Kitittas | 264 | 212 | 506597 |

Deed of Trust
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| | | | |
|--------------|------|------|------------|
| Klickitat | 141 | 300 | 206526 |
| Lewis | 365 | 154 | 960637 |
| Lincoln | | | 377660 |
| Mason | 384 | 027 | 470654 |
| Okanogan | 70 | 2376 | 741827 |
| Pacific | 8708 | 348 | 84496 |
| Pend Oreille | 74 | 899 | 194502 |
| Pierce | 0440 | 0367 | 8708110085 |
| San Juan | 188 | 341 | 87147097 |
| Skagit | 719 | 58 | 8708110057 |
| Skamania | 106 | 326 | 1036446 |
| Snohomish | 2079 | 0467 | 0708110076 |
| Spokane | 918 | 688 | 8708110112 |
| Stevens | 115 | 0434 | 8705730 |
| Thurston | 1511 | 769 | 8708110045 |
| Wahkiakum | 71 | 256 | 38075 |
| Walla Walla | 166 | 400 | 8706174 |
| Whatcom | | 614 | 1580300 |
| Whitman | 48 | | 521420 |
| Yakima | 1217 | 977 | 2807235 |

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 Grantors acknowledge receipt of such Master Form Deed of Trust. The Property which is the subject of this Deed of Trust is not used principally or primarily for agricultural or farming purposes. The undersigned Grantors request 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.

Paragraph 58(b) of the Master Form Deed of Trust is deleted and the following language is substituted:

(b) Grantors shall promptly comply with all statues regulations and ordinances which apply to Grantors or the Property and with all orders, decrees or judgments of governmental authorities or courts having jurisdiction which Grantors are bound by, relating to the use, collection, storage, treatment, control, removal or cleanup of hazardous or toxic substances in, on or under the Property or in, on or under an adjacent property that becomes contaminated with hazardous or toxic substances as a result or construction, operations or other activities on, or the contamination of, the Property, at Grantors' expense. Beneficiary may, but is not obligated to, enter upon the Property and take such actions and incur such costs and expenses to effect such compliance as it deems advisable to protect its interest as Beneficiary; and whether or not Grantors have actual knowledge of the existence of hazardous or toxic substances in, on or under the Property or any adjacent property as of the date hereof, Grantor shall reimburse Beneficiary on demand for the full amount of all costs and expenses incurred by Beneficiary prior to Beneficiary acquiring title to the Property through foreclosure or deed in lieu of foreclosure, in connection with such compliance activities.

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The term "Grantor" as used in this agreement includes the "Borrower" as defined in RCW 61.24, if the Borrower is a person or entity other than the Grantor.

Grantors' Street address for service of process:

3406 Alaska Road
Brier, WA 98036

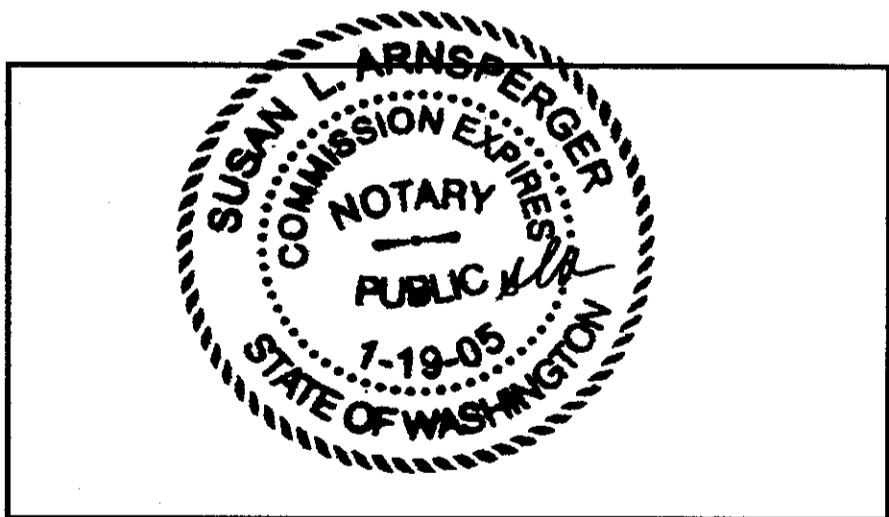
WITNESS the hands and seals of the Grantors on the day and year first above written.

John P. Little
John P. Little
Margaret L. Little
Margaret L. Little

State of Washington)
)ss
County of Skagit)

On May 2, 2001, before me, the undersigned, a Notary Public in and for the state of Washington, duly commissioned and sworn, personally appeared John P. Little and Margaret L. Little to me known or proven on the basis or satisfactory evidence to be the individual, or individuals described in and who executed the within and foregoing instrument, and acknowledged to me that they signed and sealed the said instrument as their free and voluntary act and deed for the uses and purposes therein mentioned.

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



PLACE NOTARY SEAL IN THIS BOX

Susan L. Arnsperger
Notary Public
My appointment expires 1-19-05

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