

When Recorded Please Return To:
Lawrence A. Pirkle
321 West Washington, Suite 300
Mt. Vernon, WA 98273



200106130009

Skagit County Auditor

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DEED OF TRUST

(For Use in the State of Washington Only)

Grantor: BRADFORD HOLDINGS, L.L.C., a Washington Limited Liability Company
Grantee: PAXISTIMA TRUST COMPANY
Trustee: Land Title Company of Skagit County
Abbreviated Legal: Lot 3 & 4, Block 13 "Map of Mount Vernon, Gates 1st and 2nd additions to Mount Vernon"
recorded in Vol. No. 2 of Plats, Page 98.
Assessor's Tax Parcel Number: 3700-013-004-0006 & 360305-4-002-0200

THIS DEED OF TRUST, made this 12th day of June, 2001 between **GRANTOR**, BRADFORD HOLDINGS, L.L.C., a Washington Limited Liability Company, whose address is 200 West Gates Street, Mount Vernon, WA 98273, **LAND TITLE COMPANY OF SKAGIT COUNTY**, a Washington corporation, **TRUSTEE** whose address is PO Box 445, Burlington, Washington 98233 and **PAXISTIMA TRUST COMPANY**, **BENEFICIARY**, whose address is 321 West Washington, Mount Vernon, WA 98273.

WITNESSETH: Grantor hereby bargains, sells and conveys to Trustee in Trust, with power of sale, the following described real property in Skagit County Washington:

See attached Exhibit "A" and incorporated herein by this reference.

which 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 of One Million Four Hundred Eighty Three Thousand Dollars (\$1,483,000) including 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 all 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

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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 evidences 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 this _____ day of _____, _____



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EXHIBIT "A"

LEGAL DESCRIPTION:

Parcel No: P52080, 3700-013-004-0006

Lots 3 & 4, Block 13, "MAP OF MOUNT VERNON, GATES 1ST AND 2ND ADDITIONS TO MOUNT VERNON", as per plat recorded in Volume 2 of Plats, page 98, records of Skagit County, EXCEPT the East 10 feet thereof for alley, as conveyed on the City of Mount Vernon, by deed recorded March 25, 1921 in Book 121 of Deeds, page 523. Situate in the County of Skagit, State of Washington.

Assessor's Parcel No: P104267, 360305-4-002-0200

All that portion of the Southeast 1/4 of Section 5, Township 36 North, Range 3 East, W.M., more particularly described as follows:

Beginning at the Southeast corner of said Southeast 1/4 of Section 5;
thence North 02°15'57" East, along the East line of said Southeast 1/4, 2,122.87 feet to the TRUE POINT OF BEGINNING;
thence North 89°03'49" West, 490.03 feet;
thence North 02°15'57" East, 318.25 feet;
thence South 89°03'49" East, 490.03 feet;
thence South 02°03'49" West, 318.25 feet to the TRUE POINT OF BEGINNING.
Situate in the County of Skagit, State of Washington.



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