



200305300157
Skagit County Auditor

5/30/2003 Page 1 of 6 11:14AM

Filed for Record at the Request of:

Chmelik Sitkin & Davis P.S.
1500 Railroad Avenue
Bellingham, WA 98225

DEED OF TRUST

Grantor(s): JERRY and BARBARA WELCH d/b/a AIRPORT DELI
Grantee(s): CHMELIK SITKIN & DAVIS P.S.
Trustee: FIRST AMERICAN TITLE COMPANY
Legal Description: SE CORNER LOT 7, *Skagit Regional Airport*
Tax Parcel No.: 109 258 *Binding Site Plan*
Related Doc(s): 9512080058

THIS DEED OF TRUST, made this 30th day of May, 2003, between **JERRY and BARBARA WELCH, d/b/a AIRPORT DELI**, (collectively hereinafter, the "Grantor"), whose address is 13629 Rector Road, Bow, Washington, 98232, **FIRST AMERICAN TITLE COMPANY**, whose address is 1301B Riverside Drive, Mount Vernon, Washington (hereinafter the "Trustee"), and **CHMELIK SITKIN & DAVIS, P.S.**, whose address is 1500 Railroad Avenue, Bellingham, Washington (hereinafter the "Beneficiary").

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

That Lease Agreement between Port of Skagit County and Jerry Welch d/b/a Airport Deli, recorded under Skagit County Auditor's File No. 9512080058 (the "Lease"), for that property described as follows:

BEGINNING AT THE SOUTHEAST CORNER OF SAID LOT 7; THENCE NORTH 88°20'14" WEST, ALONG THE SOUTH LINE OF SAID LOT 7, A DISTANCE OF 29.86 FEET TO THE BEGINNING OF A CURVE TO THE LEFT HAVING A RADIUS OF 352.57 FEET; THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE TO THE LEFT THROUGH A CENTRAL

ANGLE 28°45'59", AN ARC DISTANCE OF 177.02 FEET TO THE SOUTHWEST CORNER OF SAID LOT 8; THENCE NORTH 1°01'59" EAST, ALONG THE WEST LINE OF SAID LOT 8 A DISTANCE OF 123.27 FEET; THENCE SOUGHT 88°40'12" EAST 186.76 FEET; THENCE SOUTH 20°22'10" EAST, 36.28 FEET TO A POINT ON THE EAST LINE OF SAID LOT 7; THENCE SOUTH 1°01'5" WEST, ALONG SAID EAST LINE, 47.21 FEET TO THE POINT OF BEGINNING, CONTAINING 18,251 SQUARE FEET (.419 ACRE) OF SKAGIT REGIONAL AIRPORT BINDING SITE PLAN.

which real property is not used principally for agricultural or farming purposes, together with all tenements, hereditaments, and appurtenances now or hereafter thereunto belonging or in any wise appertaining, and the rents, issues and profits thereof.

This Deed of Trust is for the purpose of securing performance of that obligation of Grantor herein contained, and for payment of that amount set forth in that billing statement showing accrued billing through February 28, 2003 and dated March 19, 2003 (the "February 28, 2003 Billing Statement") provided to Grantor by Beneficiary, on the terms and conditions set forth therein, as such amount may change due (i) fees and costs incurred as a result of future services provided by Beneficiary to Grantor and (ii) interest, penalties, costs and/or other fees that may accrue on Grantor's obligation to Beneficiary, including, without limitation, any and all renewals, modifications, and extensions of Grantor's obligation to Beneficiary, 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. Billing statements subsequent to the February 28, 2003 Billing Statement may be generated by Beneficiary and provided to Lessee, and the obligation memorialized in such subsequent billing statements shall likewise be secured by this Deed of Trust. In the event that the obligation secured by this Deed of Trust is at some future time memorialized in a Promissory Note or other instrument, then that instrument and the obligation set forth therein shall also be secured by this Deed of Trust.

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

1. To keep the Lease in full force and effect. Not to cause or to permit any default of the Lease. Not to assign, modify, supplement or amend the Lease in any way without Beneficiary's prior written approval. Not to cancel, surrender or otherwise terminate the Lease (and/or cause or permit same to occur) in any way without Beneficiary's prior written approval.
2. To keep the property that is the subject of the Lease 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.



3. To pay before delinquent all lawful taxes and assessments upon the property as required under the Lease; to keep the property and the Lease free and clear of all other charges, liens or encumbrances impairing the security of this Deed of Trust.

4. 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. The insurance policy shall name Beneficiary as an additional insured. Grantor shall provide a certificate of title insurance or other satisfactory proof of insurance to Beneficiary. Such insurance shall 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.

5. 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.

6. 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.

7. 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 billing statement(s) provided to Lessee by Beneficiary and secured hereby, shall be added to and become a part of the debt secured by this Deed of Trust.

IT IS MUTUALLY AGREED THAT:

1. In the event any portion of the Lease is taken or damaged in an eminent domain proceeding, or in the event that any right under the Lease is eliminated, reduced or otherwise diminished, the entire amount of the award or such portion thereof 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 or its authorized agent shall sell the trust property interest, 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 sale, including a reasonable Trustee's fee and attorney's fee; (2) to the obligation secured by this Deed of trust; and (3) the surplus, if any, shall be distributed to the persons entitled thereto.

5. Trustee shall deliver to the purchaser at the sale its Lease and an assignment thereof (in a form acceptable to the purchaser and to Trustee), 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 purchasers and encumbrances for value.

6. The obligation owed under the billing statements provided by Beneficiary to Grantor and as secured by this Deed of Trust shall be paid in full upon assignment, early termination or renegotiation of the terms of the of the Lease by Grantor.

7. 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.

8. In the event of the death, incapacity, disability or resignation of Trustee, Beneficiary shall 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.

9. Should Beneficiary retain the services of an attorney to enforce any provision herein the prevailing party shall be obligated to pay the attorneys' fees and costs incurred therein.

10. This Deed of Trust applies to, insures to the benefit of, and is binding not only on the parties hereto, but on their heirs, devisees, legatees, administrators, executors, successors and assigns. The term Beneficiary shall mean Chmelik Sitkin & Davis P.S.



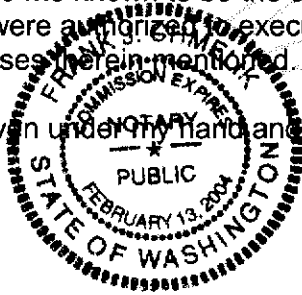
Jerry Welch
Jerry Welch

Barbara Welch
Barbara Welch

STATE OF WASHINGTON)
)ss.
COUNTY OF WHATCOM)

On this day personally appeared before me **JERRY WELCH and BARBARA WELCH**, to me known to be the sole proprietors of **AIRPORT DELI** and on oath verified that they were authorized to execute this document on behalf of the business for the uses and purposes herein mentioned.

Given under my hand and official seal this 30 day of May, 2003.



Frank J. Onmelik
Print Name: FRANK J. ONMELIK
NOTARY PUBLIC in and for the
State of Washington, residing at Bellingham



200305300157
Skagit County Auditor

5/30/2003 Page 5 of 6 6 11:14AM

REQUEST FOR FULL RECONVEYANCE

Do not record. To be used only when the obligations in the promissory notes have been paid.

TO: TRUSTEE

The undersigned is the Obligee for the payment of attorneys' fees and costs, which are secured by the Deed of Trust. Said obligation, together with all other indebtedness secured by said Deed of Trust, have been fully paid and satisfied; and you are hereby requested and directed, on payment to you in any sums owing to you under the terms of said Deed of Trust, to cancel said obligation(s) mentioned above, 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 convey, 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 _____, 20____.

CHMELIK SITKIN & DAVIS P.S.

Frank J. Chmelik

F:\CLIENTS R-Z\Welch\Airport Deli DOT and Estoppel Cert\Deed of Trust (sfc.v1) 5.30.03.doc



200305300157

Skagit County Auditor

5/30/2003 Page

6 of

6 11:14AM