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WHEN RECORDED RETURN TO

Name Youngquist & BetzAddress 904 South ThirdCity, State, Zip Mount Vernon, WA 98273**Land Title Company**

FILED FOR RECORD AT REQUEST OF

**Deed of Trust***(For Use in the State of Washington Only)*

THIS DEED OF TRUST, made this 15TH day of September, 2004, between SAYYES ENTERPRISES, LLC, a Washington Limited Liability Co., GRANTOR, whose address is 22304 Highway 9, Mount Vernon, WA 98274, LAND TITLE COMPANY OF SKAGIT COUNTY a corporation, TRUSTEE, whose address is P.O. Box 445, Burlington, Washington, and Mad Investments, LLC, a Washington Limited Liability Company, BENEFICIARY, whose address is 22304 Highway 9, Mount Vernn, WA 98274, 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" for legal description)****ASSESSOR'S TAX/PARCEL NUMBER(s): P17225, P17234****ABBREVIATED LEGAL DESCRIPTION: Ptn. of Lot 4, Short Plat No. 38-87  
25-33-4****THIS IS A RE-RECORD TO CHANGE/CORRECT GRANTOR AND GRANTEE NAMES**

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 Two Hundred Thousand and No/100 Dollars (\$1,200,000.00.....) 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.

  
Chad Savage

STATE OF WASHINGTON }  
COUNTY OF \_\_\_\_\_ } ss.

On this day personally appeared before me

to me known to be the individual 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 \_\_\_\_\_

Notary Public in and for the State of Washington,  
residing at \_\_\_\_\_  
My appointment expires: \_\_\_\_\_

STATE OF WASHINGTON }  
COUNTY OF \_\_\_\_\_ } ss.

On this \_\_\_\_\_ day of \_\_\_\_\_, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared \_\_\_\_\_ and

to me known to be the \_\_\_\_\_ President and \_\_\_\_\_ Secretary, respectively of \_\_\_\_\_ 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 \_\_\_\_\_ authorized to execute the said instrument and that the seal affixed is the corporate seal of said corporation.

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

Notary Public in and for the State of Washington,  
residing at \_\_\_\_\_  
My appointment expires: \_\_\_\_\_

**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 \_\_\_\_\_

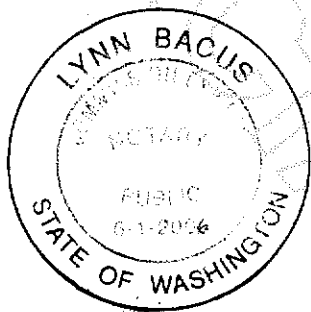


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STATE OF WASHINGTON )  
: SS  
COUNTY OF SKAGIT )

On the date set forth below, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Chad Savage, to me known to be the Manager of SAYYES ENTERPRISES, LLC, that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said Limited Liability Company, for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the said instrument.

WITNESS my hand and official seal this 13<sup>th</sup> day of September, 2004.



Lynn Bacus  
Notary Public in and for the State of Washington,  
residing at Mount Vernon



EXHIBIT A

That portion of Lot 4, Short Plat No. 38-87, as approved on August 16, 1988, and recorded in Book 8 of Short Plats, pages 58 and 59, under Auditor's File No. 8808180023, records of Skagit County, Washington, being in Government Lots 2 and 3, and in the Northwest  $\frac{1}{4}$  of the Northeast  $\frac{1}{4}$  of Section 25, Township 33 North, Range 4 East, W. M., said portion lying southerly of State Route 9 and Easterly of the following described line:

Commencing at the intersection of the South line of the Northwest  $\frac{1}{4}$  of the Northeast  $\frac{1}{4}$  of Section 25, Township 33 North, Range 4 East, W.M. and the Easterly line of said State Route 9 as shown on said Short Plat No. 38-87;

thence South  $87^{\circ}28'58''$  East a distance of 24.62 feet along said South Line to the Southeast corner of said subdivision;

thence North  $02^{\circ}03'23''$  East a distance of 241.72 feet along the East line of said subdivision to the southerly margin of said State Route 9; said point being on a curve the center of which is South  $38^{\circ}28'00''$  East 163.14 feet from said point;

thence along the arc of said curve to the right with a radius of 163.14 feet, a delta angle of  $40^{\circ}01'01''$ , and an arc length of 113.94 feet to a point of tangency in said southerly margin;

thence South  $88^{\circ}26'59''$  East a distance of 61.09 feet along said southerly margin of State Route 9 to the TRUE POINT OF BEGINNING of said line;

thence South  $01^{\circ}33'01''$  West a distance of 137.86 feet;

thence North  $84^{\circ}24'20''$  East a distance of 137.16 feet;

thence South  $82^{\circ}01'51''$  East a distance of 143.14 feet;

thence South  $62^{\circ}44'38''$  East a distance of 80.77 feet to a point on a curve the center of which is North  $88^{\circ}31'31''$  West 200.00 feet from said point;

thence along the arc of said curve to the right with a radius of 200.00 feet, a delta angle of  $51^{\circ}25'20''$ , and an arc length of 179.50 feet to a point of tangency;

thence South  $52^{\circ}53'49''$  West a distance of 130.76 feet to a point of curvature;

thence along the arc of said curve to the left with a radius of 250.00 feet, a delta angle of  $16^{\circ}38'00''$ , and an arc length of 72.58 feet to a point of tangency;

thence South  $36^{\circ}15'49''$  West a distance of 85.44 feet to a point of curvature;

thence along the arc of said curve to the right with a radius of 25.00 feet, a delta angle of  $64^{\circ}37'23''$ , and an arc length of 28.20 feet to a point of reverse curvature;



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thence along the arc of said curve to the left with a radius of 45.00 feet, a delta angle of 137°21'26", and an arc length of 107.88 feet;  
thence South 46°40'03" West a distance of 63.48 feet to an intersection with the Easterly margin of said State Route 9 and the terminus of said line.

EXCEPT that portion of said Lot 4, Short Plat No. 38-87, as approved on August 16, 1988, and recorded in Book 8 of Short Plats, pages 58 and 59, under Auditor's File No. 8808180023, records of Skagit County, Washington, being in Government Lots 2 and 3, and in the Northwest ¼ of the Northeast ¼ of Section 25, Township 33 North, Range 4 East, W. M., said portion being described as follows:

Commencing at the Northwest corner of Lot 3, said Short Plat No. 38-87;  
thence South 01° 28' 29" West 65.00 feet along the line between said Lots 3 and 4 to a corner of said lots;  
thence South 88° 31' 31" East 189.25 feet along the line between said Lots 3 and 4 to a corner of said lots and the TRUE POINT OF BEGINNING;  
thence South 31° 00' 00" East 178.11 feet along the line between said Lots 3 and 4;  
thence North 32° 31' 10" West 113.14 feet;  
thence North 28° 21' 28" West 65.08 feet to the TRUE POINT OF BEGINNING.

SUBJECT TO and TOGETHER WITH easements, reservations, restrictions, covenants and other instruments of record.

Situate in the County of Skagit, State of Washington

SUBJECT TO: Easements and restrictions of record as disclosed by First American Title Company, Order No. 82651.

ALSO SUBJECT TO: Land Tax Classification designated by RCW 84.34, which land tax classification Grantees agree to assume and continue to pay according to the terms and conditions thereof, including any penalties or interest for violation of said classification which may be incurred from and after the date of this Deed.



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