

Deed of Trust

WHEN RECORDED RETURN TO:

Name: DENNIS SOBCHUK
Address: 3119 ELDRIDGE AVE
City, State, Zip Bellingham WA 98225
Sec. 16, TWP 34, Rng. 4 Ptn.
SW-SE



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Deed of Trust

(For Use in the State of Washington Only)

FIRST AMERICAN TITLE CO.

89608E-43

THIS DEED OF TRUST, made this 24th day of October, 2006, between the SKAGIT VALLEY FAMILY YMCA, GRANTOR,

whose address is Fulton Street, Mount Vernon, WA, LAND TITLE, a Washington

Corporation, Trustee and S.K.Y. DOMES ENTERPRISES, INC., a Washington Corporation

whose address is 3119 ELDRIDGE AVE Bellingham, WA 98225

BENEFICIARY,

P116780

WITNESSETH: Grantor, in order to secure the payment of indebtedness evidenced by the Promissory Note of even date, with interest thereon, and to secure the obligations contained herein, hereby grants, bargains, sells and conveys to Trustee in Trust, with power of sale all of Grantor's estate, right, title, interest, claim and demand, certain real property in Skagit County, Washington described in the attached Exhibit "A," together with:

- A. All buildings, structures, and other improvements now or hereafter erected on the real property;
- B. All fixtures and trade fixtures used in association with the improvements on the real property;
- C. All of the Grantor's rights as landlord in and to all existing and future leases and tenancies, whether written or oral, and any issues or profits thereof;
- D. The rights to the proceeds of sale to any of the foregoing.

The real property described in the attached Exhibit "A" is not used principally for agricultural or farming purposes.

This deed is for the purpose of securing performance of each agreement of grantor herein contained, performance of the terms of the Lease Assignment and Assumption Agreement of even date, and payment of the sum of TWO HUNDRED THOUSAND DOLLARS (\$200,000) with interest and other costs, 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.



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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



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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. Nothing herein contained shall prohibit Beneficiary from pursuing any other remedy available to him or his successor at law. Specifically, Beneficiary or Trustee shall be entitled to take possession of any property defined as security hereunder, to marshal the assets defined as security hereunder, and to the appointment of a receiver in the manner provided by law, without regard to the sufficiency of the property or any other security for the indebtedness secured hereby, which receiver shall be entitled to collect the rents, profits, proceeds of sale, or other income generated by the property used as security hereunder, and the application of such sums to the indebtedness owed Beneficiary.

6. 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 encumbrances for value.

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 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.

9. 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.



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The term Beneficiary shall mean the holder and owner of the note secured hereby, whether or not named as Beneficiary herein.

10. The YMCA shall be empowered to make physical modifications to the property with the consent of Beneficiary, which consent shall be reasonably given.

[Handwritten Signature]

[Handwritten Signature]

[Handwritten Signature]

STATE OF WASHINGTON)

ss.

COUNTY OF Skagit

On this 24th day of October, 2006 before me, the undersigned, a notary public in and for the State of Washington, duly commissioned and sworn, personally appeared

Dennis Sobchuk + Kyle Reep known to me to be the individual(s) described in and who executed the within instrument and acknowledged that they signed and sealed the same as their free and voluntary act and deed, for the uses and purposes herein mentioned.

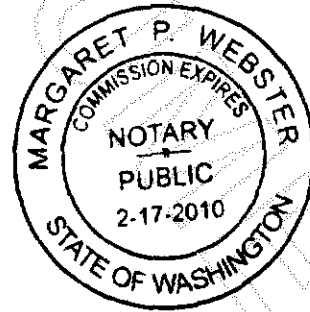
Margaret P Webster

Printed Name: Margaret P Webster

Notary Public in and for the State of Washington

Residing at Mount Vernon

My appointment expires 02-17-2010



STATE OF WASHINGTON)

ss.



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COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that Donnis Sobchuk & Kyle Reep is the person who appeared before me, and said person acknowledged that they signed this instrument, on oath stated that they was authorized to execute the instrument and acknowledged it as PRINCIPALS of SKY DOME ENTERPRISES be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: 10-24-06

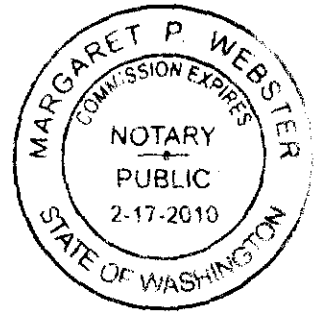
Margaret P Webster

Printed Name: Margaret P Webster

Notary Public in and for the State of Washington

Residing at Mount Vernon

My appointment expires 02-17-2010



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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Schedule "C"
Legal description

The land referred to in this report/policy is situated in the State of Washington, County of Skagit, and is described as follows:

A leasehold interest in the following described property:

That portion of the Southwest $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ of Section 16, Township 34 North, Range 4 East, W.M., described as follows:

Commencing at the Southeast corner of said subdivision as shown on Survey recorded in Book 7 of Surveys, page 33, under Auditor's File No. 8702230031, records of Skagit County, Washington; thence North $00^{\circ}18'10''$ East 723.02 feet along the East line of said subdivision; thence North $89^{\circ}41'50''$ West 72.13 feet to the true point of beginning; thence North $37^{\circ}51'12''$ West 280.00 feet; thence South $52^{\circ}08'48''$ West 275.00 feet; thence South $37^{\circ}51'12''$ East 280.00 feet; thence North $52^{\circ}08'48''$ East 275 feet to the true point of beginning.

TOGETHER WITH a non-exclusive easement for ingress and egress, described as follows:

A strip of land 20 feet in width, lying 10 feet on each side of the following described line:

Beginning at the South $\frac{1}{4}$ corner of said Section 16; thence South $89^{\circ}07'33''$ East 1,162.82 feet along the South line of said section; thence North $00^{\circ}52'27''$ East for a distance of 30 feet to the true point of beginning of this easement description; thence North $00^{\circ}52'27''$ East 10.00 feet to a point of curvature; thence Northwesterly 509.34 feet along a curve concave to the Southwest having a radius of 770.00 feet and a central angle of $37^{\circ}53'59''$ to a point of tangency; thence North $37^{\circ}01'32''$ West 307.48 feet; thence North $52^{\circ}08'48''$ East 85.38 feet to the terminus of this easement description.



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