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After recording, return to:

Tesoro Refining and Marketing Company
300 Concord Plaza Drive
San Antonio, Texas 78216-6999
Attn: Charles S. Parrish
210/828-8484 (Phone)
210/283-2833 (Fax)

Assessor's Parcel or Account Number: 34032-4-014-0004

Abbreviated Legal Description: Section 32, Township 34, Range 4, Ptn. SW-SE

GUARDIAN NORTHWEST TITLE CO.

A92385

DEED OF TRUST, FIXTURE FILING, ASSIGNMENT OF RENTS AND
LEASES AND SECURITY AGREEMENT

THIS DEED OF TRUST, FIXTURE FILING, ASSIGNMENT OF RENTS AND LEASES AND SECURITY AGREEMENT dated to be effective as of August 3, 2007 is made by DANIAL S. CAMERON, WHO ALSO APPEARS OF RECORD AS DANIEL S. CAMERON, AND SPOUSE, CHRIS A. CAMERON (collectively, "Grantor") to First American Title Company of Skagit County Co., a California corporation ("Trustee"), whose address is 1301 B Riverside Drive, Mount Vernon, Washington 98273, for the use and benefit of Tesoro Refining and Marketing Company, a Delaware corporation, whose address is 300 Concord Plaza Drive, San Antonio, Texas 78216-6999 ("Beneficiary"). References to this "Deed of Trust" shall mean this instrument and any and all renewals, modifications, amendments, supplements, extensions, consolidations, substitutions, spreaders, restatements and replacements of this instrument.

Background

A. Grantor (i) is the owner of the fee simple estate in the parcel of real property described below (the "Land") and (ii) owns all of the buildings, improvements, structures and fixtures now or subsequently located on the Land (the "Improvements"; the Land and the Improvements being collectively referred to as the "Real Estate"):

The property known as 19745 E Hickox Road, Mount Vernon, Washington 98274 and more particularly described as: the East 320 feet of the Southeast ¼ of the Southwest ¼ of the Southeast ¼ of Section 32, Township 34, North Range 4 East W.M., except county road along the South line thereof, situate in the County of Skagit, State of Washington, as described in the Deed of Trust recorded as Document 200211040165 with the County

Auditor of Skagit County, Washington

B. Grantor is a party to that certain Promissory Note in the original principal amount of \$180,000.00 with an effective date of August 3, 2007 (as the same may be amended, supplemented or otherwise modified from time to time, the "Promissory Note").

C. It is a condition precedent, among others, to the effectiveness of the Promissory Note and the obligations of the Beneficiary to make extensions of credit to the Borrowers thereunder that Grantor secure the obligations of Borrowers under the Promissory Note and by executing and delivering this Deed of Trust.

Granting Clauses

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor agrees that to secure the following (collectively, the "Obligations"):

(a) the unpaid principal of and interest on the Promissory Note and all other obligations and liabilities of the Borrowers (including, without limitation, interest accruing at the then applicable rate provided in the Promissory Note and interest accruing at the then applicable rate provided in the Promissory Note after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to the Borrowers, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) to the Beneficiary, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with, the Promissory Note, this Agreement, or any other document made, delivered or given in connection therewith, in each case whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses or otherwise; and

(b) the payment and performance of all other obligations and liabilities of Grantor, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of or in connection with this Deed of Trust, in each case whether on account of fees, indemnities, costs, expenses or otherwise (including, without limitation, all fees, charges and disbursements of counsel to Beneficiary or to the Lenders that are required to be paid by Grantor pursuant to the terms of this Deed of Trust or the Promissory Note;

GRANTOR HEREBY IRREVOCABLY GRANTS, TRANSFERS AND ASSIGNS TO TRUSTEE, IN TRUST, WITH POWER OF SALE, the following:

- (A) the Real Estate;
- (B) all the estate, right, title, claim or demand whatsoever of Grantor, in possession or expectancy, in and to the Real Estate or any part thereof;
- (C) all right, title and interest of Grantor in, to and under all easements, rights of way, gores of land, streets, ways, alleys, passages, sewer rights, waters, water courses,



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water and riparian rights, development rights, air rights, mineral rights and all estates, rights, titles, interests, privileges, licenses, tenements, hereditaments and appurtenances belonging, relating or appertaining to the Real Estate, and any reversions, remainders, rents, issues, profits and revenue thereof and all land lying in the bed of any street, road or avenue, in front of or adjoining the Real Estate to the center line thereof;

(D) all right, title and interest of Grantor in and to all substitutes and replacements of, and all additions and improvements to, the Real Estate and fixtures, subsequently acquired by or released to Grantor or constructed, assembled or placed by Grantor on the Real Estate, immediately upon such acquisition, release, construction, assembling or placement, including, without limitation, any and all building materials whether stored at the Real Estate or offsite, and, in each such case, without any further Deed of Trust, conveyance, assignment or other act by Grantor;

(E) all right, title and interest of Grantor in, to and under all leases, subleases, underlettings, concession agreements, management agreements, licenses and other agreements relating to the use or occupancy of the Real Estate or any part thereof, now existing or subsequently entered into by Grantor and whether written or oral and all guarantees of any of the foregoing (collectively, as any of the foregoing may be amended, restated, extended, renewed or modified from time to time, the "Leases"), and all rights of Grantor in respect of cash and securities deposited thereunder and the right to receive and collect the revenues, income, rents, issues and profits thereof, together with all other rents, royalties, issues, profits, revenue, income and other benefits arising from the use and enjoyment of the Trust Property (as defined below) (collectively, the "Rents");

(F) all unearned premiums under insurance policies now or subsequently obtained by Grantor relating to the Real Estate and Grantor's interest in and to any such insurance policies and all proceeds of any such insurance policies (including title insurance policies) including the right to collect and receive such proceeds, subject to the provisions relating to insurance proceeds; and all awards and other compensation, including the interest payable thereon and the right to collect and receive the same, made to the present or any subsequent owner of the Real Estate for the taking by eminent domain, condemnation or otherwise, of all or any part of the Real Estate or any easement or other right therein;

(G) all right, title and interest of Grantor in and to (i) all contracts from time to time executed by Grantor or any manager or agent on its behalf relating to the ownership, construction, maintenance, repair, operation, occupancy, sale or financing of the Real Estate or any part thereof and all agreements relating to the purchase or lease of any portion of the Real Estate or any property which is adjacent or peripheral to the Real Estate, together with the right to exercise such options (collectively, the "Contracts"), (ii) all consents, licenses, building permits, certificates of occupancy and other governmental approvals relating to construction, completion, occupancy, use or operation of the Real Estate or any part thereof (collectively, the "Permits") and (iii) all drawings, plans, specifications and similar or related items relating to the Real Estate (collectively, the "Plans");



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(H) any and all monies now or subsequently on deposit in segregated accounts for the payment of real estate taxes or special assessments against the Real Estate or for the payment of premiums on insurance policies covering the foregoing property or otherwise on deposit with or held by Beneficiary as provided in this Deed of Trust; and

(I) all proceeds, both cash and noncash, of the foregoing;

(All of the foregoing property and rights and interests now owned or held or subsequently acquired by Grantor and described in the foregoing clauses (A) and (D) are collectively referred to as the "Premises", and those described in the foregoing clauses (A) through (I) are collectively referred to as the "Trust Property").

TO HAVE AND TO HOLD the Trust Property and the rights and privileges hereby granted unto Trustee, its successors and assigns for the uses and purposes set forth, in trust with power of sale, until the Obligations are fully paid and performed.

FIXTURE FILING. The personal property in which Beneficiary has a security interest includes goods which are or shall become fixtures on the Real Estate. This Deed of Trust is intended to serve as a fixture filing pursuant to the terms of the Washington Uniform Commercial Code. This filing is to be recorded in the real estate records of the county in which the Real Estate is located. This filing remains in effect as a fixture filing until this Deed of Trust is released or satisfied of record or its effectiveness otherwise terminates as to the Real Estate. In that regard, the following information is provided:

Name of Debtor: Danial S. Cameron and Chris S. Camerson

Address of Debtor: 19745 E Hickox Road
Mount Vernon, Washington 98724

Name of Secured Party: Tesoro Refining and Marketing Company

Address of Secured Party: 300 Concord Plaza Drive
San Antonio, Texas 78216-6999

Terms and Conditions

Grantor further represents, warrants, covenants and agrees with Beneficiary as follows:

1. **Definitions.** Capitalized terms used herein which are not otherwise defined shall have the meanings given to them in the Promissory Note.
2. **Warranty of Title.** Grantor warrants the title to the Premises, subject only to matters of record (the "Permitted Exceptions").
3. **Payment of Taxes and Other Impositions.** Nothing herein shall affect any right or remedy of Trustee or Beneficiary under this Deed of Trust or otherwise, without notice or demand to Grantor, to pay any and all taxes of every kind and nature (including, without limitation, all real and personal property, income, franchise, withholding, transfer, gains, profits



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and gross receipts taxes), all charges for any easement or agreement maintained for the benefit of any of the Trust Property, all general and special assessments, levies, permits, inspection and license fees, all water and sewer rents and charges, vault taxes, and all other public charges even if unforeseen or extraordinary, imposed upon or assessed against or which may become a charge on any of the Trust Property, or arising in respect of the occupancy, use or possession thereof, together with any penalties or interest on any of the foregoing (all of the foregoing are collectively referred to as the "Impositions") after the date such Imposition shall have become past due, and to add to the Obligations or any other sums secured by this Deed of Trust the amount so paid, together with interest. Any sums paid by Trustee or Beneficiary in discharge of any Impositions shall be a charge on the Premises secured hereby prior to any right or title to, interest in, or claim upon the Premises subordinate to the charge of this Deed of Trust together with interest.

(a) Grantor shall not claim, demand or be entitled to receive any credit or credits toward the satisfaction of this Deed of Trust or on any interest payable thereon for any taxes assessed against the Trust Property or any part thereof, and shall not claim, to the extent any such claim could materially affect the lien of this Deed of Trust, any deduction from the taxable value of the Trust Property by reason of this Deed of Trust.

4. Insurance. If Grantor is in default of its obligations under the Credit Agreement to insure or deliver evidence of payment of any insurance policy or policies, then Beneficiary, at its option and with only such notice as is provided in the Credit Agreement, may effect such insurance from year to year, and pay the premium or premiums therefor, and Grantor shall pay to the Beneficiary on demand such premium or premiums so paid by the Beneficiary with interest and the same shall be deemed to be secured by this Deed of Trust and shall be collectible in the same manner as the Obligations secured by this Deed of Trust.

(a) In the event of foreclosure of this Deed of Trust or other transfer of title to the Trust Property in satisfaction of the Obligations, all right, title and interest of Grantor in and to any insurance policies then in force concerning the Premises shall pass to the purchaser or grantee and Grantor hereby appoints Beneficiary its attorney-in-fact, in Grantor's name, to assign and transfer all such policies and proceeds to such purchaser or grantee.

(b) Upon written notice to Grantor, if and to the extent required under any requirement of law, or if an Event of Default shall have occurred, the Beneficiary shall be entitled to require Grantor to pay monthly in advance to the Beneficiary the equivalent of 1/12th of the estimated annual premiums due on such insurance. The Beneficiary may commingle such funds with its own funds and Grantor shall not be entitled to interest thereon. Any funds so collected by the Beneficiary shall be used to pay insurance premiums as they become due.

5. Rights of Tenants. This Deed of Trust is subject to the rights of any and all tenants of the Trust Property now or hereafter existing and, for so long as said tenants are not in default under the terms of their respective leases and shall agree to attorn to Beneficiary (or Beneficiary's designee) upon its acquisition of title to the Trust Property, Beneficiary shall not disturb the use or possession by said tenants to all or a portion of the Trust Property, as described in such tenant's lease. If an Event of Default shall have occurred and Beneficiary elects to foreclose this Deed of Trust pursuant to Section 8(a)(i) hereof, so long as said tenants are not in



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default under the terms of their respective leases, Beneficiary shall take no action or fail to take any action, as the case may be, the effect of which would be to terminate the rights of said tenants under their respective leases; provided that if, in order validly to foreclose the lien of this Deed of Trust such lease must be terminated, Beneficiary may nevertheless proceed with such foreclosure but following the completion of such foreclosure shall enter into a new lease of the Trust Property with such tenant on the same terms and conditions as those set forth in the then terminated lease. Grantor may, in the ordinary course of business and without the consent of the Beneficiary, enter into any new leases or modify, surrender, terminate, extend or renew any lease now existing or hereafter created upon the Trust Property, or any portion thereof, without the consent of Beneficiary or the Beneficiary. Beneficiary agrees to execute such other and further instruments as may be necessary to effectuate the terms of this paragraph.

6. Condemnation/Eminent Domain. If an Event of Default shall have occurred, then (a) Grantor authorizes Beneficiary, at Beneficiary's option and in Beneficiary's sole discretion, as attorney-in-fact for Grantor, to commence, appear in and prosecute, in Beneficiary's or Grantor's name, any action or proceeding relating to any condemnation of the Trust Property, or any portion thereof, and to settle or compromise any claim in connection with such condemnation and (b) if Beneficiary elects not to participate in such condemnation proceeding, then Grantor shall, at its expense, diligently prosecute any such proceeding and shall consult with Beneficiary, its attorneys and experts and cooperate with them in any defense of any such proceedings and Grantor agrees to execute any such assignments of all such awards as Beneficiary may reasonably request.

7. Beneficiary's Right to Perform. Pursuant to the terms of the Credit Agreement, if Borrower fails to perform certain covenants or agreements of under the Credit Agreement and relating to the Trust Property, the Beneficiary may, at any time (but shall be under no obligation to) pay or perform the same, provided that (other than in the case of an emergency), the Beneficiary shall have first given ten days' written notice to Borrowers of the Beneficiary's intention to do so, and the amount or cost of any such payment or performance, with interest at the Default Rate, shall immediately be due from Borrowers to Beneficiary and shall be added to the Obligations, and the same shall be secured by this Deed of Trust and shall be a lien on the Trust Property prior to any right, title to, interest in or claim upon the Trust Property attaching subsequent to the lien of this Deed of Trust.

8. Default; Remedies. (a) The occurrence of a default under the Promissory Note shall constitute an "Event of Default" hereunder. Upon the occurrence of any Event of Default, in addition to any other rights and remedies Beneficiary may have pursuant to any loan documents, or as provided by law, and without limitation, all other amounts owing under the Promissory Note shall immediately become due and payable, and if such event is any other Event of Default, Beneficiary may, by notice to Borrowers declare the Promissory Note (with accrued interest thereon) and all other amounts owing thereunder to be due and payable forthwith, whereupon the same shall immediately become due and payable. Except as expressly provided above in this Section, presentment, demand, protest and all other notices of any kind are hereby expressly waived. In addition, upon the occurrence and continuance of any Event of Default, Beneficiary, to the extent permitted by applicable law, may immediately take such action, without notice or demand, as it deems advisable to protect and enforce its rights against Grantor and in and to the Trust Property, including, but not limited to, the following actions, each of



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which may be pursued concurrently or otherwise, at such time and in such manner as Beneficiary may determine, in its sole discretion, without impairing or otherwise affecting the other rights and remedies of Beneficiary:

(i) To the extent permitted by law, sue for or otherwise collect the rents, issues and profits thereof, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection including reasonable attorneys' fees, upon the Obligations, all in such order as Beneficiary may reasonably determine. The entering upon and taking possession of the Trust Property, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done in response to such default or pursuant to such notice of default and, notwithstanding the continuance in possession of the Trust Property or the collection, receipt and application of rents, issues or profits, Beneficiary shall be entitled to exercise every right provided for in the Promissory Note or by law.

(ii) Bring an action in any court of competent jurisdiction to foreclose this Deed of Trust against all or any part of the Trust Property or to enforce any of the covenants, terms or conditions hereof and Beneficiary shall have the right to specific performance, injunction and any other equitable right or remedy as though other remedies were not provided in this Deed of Trust.

(iii) Elect to cause the Trust Property or any part thereof to be sold as follows, Grantor hereby expressly waiving any right which it may have to direct the order in which any of the Trust Property may be sold:

(A) Beneficiary may proceed as if all of the Trust Property were real property, in accordance with subparagraph (C) below, or Beneficiary may elect to treat any of the Trust Property which consists of personal property, in accordance with the Section hereof constituting this Deed of Trust a Security Agreement, separate and apart from the sale of real property, the remainder of the Trust Property being treated as real property;

(B) Beneficiary may cause any such sale or other disposition to be conducted immediately following the expiration of any grace period, if any, herein provided or Beneficiary may delay any such sale or other disposition for such period of time as Beneficiary deems to be in its best interest. Should Beneficiary desire that more than one such sale or other disposition be conducted, Beneficiary may, at its option, cause the same to be conducted simultaneously, or successively on the same day, or at such different days or times and in such order as Beneficiary may deem to be in its best interest;

(C) Should Beneficiary elect to sell the Trust Property upon which Beneficiary elects to proceed under the laws governing



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foreclosure of or sales pursuant to Deeds of Trust, Beneficiary or Trustee shall give such notice of default and election to sell as may then be required by law. Thereafter, upon the expiration of such time and the giving of such notice of sale as may then be required by law, Trustee, at the time and place specified by the notice of sale, shall sell such Trust Property, or any portion thereof specified by Beneficiary, at public auction to the highest bidder for cash in lawful money of the United States, subject, however, to the provisions of the Section below authorizing Beneficiary to make payment by giving credit against the Obligations. Trustee may, and upon request of Beneficiary shall, from time to time, postpone the sale by public announcement thereof at the time and place noticed therefor. If the Trust Property consists of several lots or parcels, Beneficiary may elect to sell the Trust Property either as a whole or in separate lots or parcels. If Beneficiary elects to sell in separate lots or parcels, Beneficiary may designate the order in which such lots or parcels shall be offered for sale or sold. Any person, including Grantor or Beneficiary, may purchase at the sale. Upon any sale, Trustee shall execute and deliver to the purchaser or purchasers a deed or deeds conveying the property so sold, but without any covenant or warranty whatsoever, express or implied;

(D) In the event of a sale or other disposition of any such property, or any part thereof, and the execution of a deed or other conveyance pursuant thereto, the recitals therein of facts, such as an Event of Default, the giving of a notice of default, acceleration and notice of sale, demand that such sale should be made, postponement of sale, terms of sale, sale, purchase, payments of purchase money, and any other fact affecting the regularity or validity of such sale or disposition shall be conclusive proof of the truth of such facts; and any such deed or conveyance shall be conclusive against all persons as to such facts recited therein;

(E) Beneficiary and/or Trustee shall apply the proceeds of any sale or disposition hereunder in the order as provided in the immediately succeeding Section of this Deed of Trust; and

(F) Exercise all other rights and remedies provided herein, in the other Promissory Note or otherwise available at law or equity.

9. Sale of the Properties; Application of Proceeds. Subject to the requirements of applicable law, the proceeds or avails of any foreclosure sale and all moneys received by Beneficiary pursuant to any right given or action taken under the provisions of this Deed of Trust shall be applied as follows:

First: To the payment of the costs and expenses of any such sale or other



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enforcement proceedings in accordance with the terms hereof and of any judicial proceeding wherein the same may be made, and in addition thereto, reasonable compensation to Beneficiary, its agents and counsel, and all actual out of pocket expenses, advances, liabilities and sums made or furnished or incurred by Beneficiary or the holder of this Deed of Trust under this Deed of Trust and the Promissory Note, together with interest at the Default Rate (or such lesser amount as may be the maximum amount permitted by law), and all taxes, assessments or other charges, except any taxes, assessments or other charges subject to which the Trust Property shall have been sold;

Second: To the payment of the whole amount when due, owing and unpaid (whether by acceleration or otherwise) upon the Obligations for principal and interest; and in case such proceeds shall be insufficient to pay in full the whole amount so due and unpaid, then first, to the payment of all amounts of interest at the time due and payable in respect of the Obligations, without preference or priority of any installment of interest over any other installment of interest, and second, to the payment of all amounts of principal, all such payments of principal and interest to be made ratably to the holders entitled thereto;

Third: To the payment of any other sums required to be paid by Grantor pursuant to any provision of this Deed of Trust, or the Promissory Note; and.

Fourth: To the payment of the surplus, if any, to whomsoever may be lawfully entitled to receive the same.

Trustee is not obligated to notify any party hereto of any pending sale under any other deed of trust or of any action or proceeding in which Grantor, Beneficiary or Trustee shall be a party, unless brought by Trustee.

10. Trustee. Trustee shall be entitled to reasonable compensation for all services rendered or expenses incurred in the administration or execution of the trusts hereby created and Grantor hereby agrees to pay the same. Trustee shall be indemnified, held harmless and reimbursed by Grantor for any liability, damage or expense, including reasonable attorneys' fees and amounts paid in settlement, which Trustee may incur or sustain in connection with this Deed of Trust or in the doing of any act which Trustee is required or permitted to do by the terms hereof or by law. The acceptance by Trustee of this trust shall be evidenced when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law and the trust created hereby is irrevocable by Grantor. A request is hereby made by Grantor that a copy of any notice of sale under this Deed of Trust be mailed to Grantor at Grantor's address set forth in the first paragraph of this Deed of Trust.

11. Successor Grantor. In the event ownership of the Trust Property or any portion thereof becomes vested in a person other than the Grantor herein named, Beneficiary may, without notice to the Grantor herein named, whether or not Beneficiary has given written consent to such change in ownership, deal with such successor or successors in interest with reference to this Deed of Trust and the Obligations, and in the same manner as with the Grantor herein named, without in any way vitiating or discharging Grantor's liability hereunder or in



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respect of the Obligations.

12. Right of Beneficiary to Credit Sale. Upon the occurrence of any sale made under this Deed of Trust, whether made under the power of sale or by virtue of judicial proceedings or of a judgment or decree of foreclosure and sale, Beneficiary may bid for and acquire the Trust Property or any part thereof. In lieu of paying cash therefor, Beneficiary may make settlement for the purchase price by crediting upon the Obligations or other sums secured by this Deed of Trust the net sales price after deducting therefrom the expenses of sale and the cost of the action and any other sums which Beneficiary is authorized to deduct under this Deed of Trust. In such event, this Deed of Trust, and documents evidencing the Obligations and the other expenditures secured hereby may be presented to the person or persons conducting the sale in order that the amount so used or applied may be credited upon the Obligations as having been paid.

13. Appointment of Receiver. If an Event of Default shall have occurred and be continuing, Beneficiary as a matter of right and without notice to Grantor, unless otherwise required by applicable law, and without regard to the adequacy or inadequacy of the Trust Property or any other collateral as security for the Obligations or the interest of Grantor therein, shall have the right to apply to any court having jurisdiction to appoint a receiver or receivers or other manager of the Trust Property, and Grantor hereby irrevocably consents to such appointment and waives notice of any application therefor (except as may be required by law). Any such receiver or receivers shall have all the usual powers and duties of receivers in like or similar cases and all the powers and duties of Beneficiary in case of entry as provided in this Deed of Trust, including, without limitation and to the extent permitted by law, the right to enter into leases of all or any part of the Trust Property and exercise all such powers until the date of confirmation of sale of the Trust Property unless such receivership is sooner terminated.

14. Extension, Release, etc. Without affecting the lien or charge of this Deed of Trust upon any portion of the Trust Property not then or theretofore released as security for the full amount of the Obligations, Beneficiary or any of the Lenders may, from time to time and without notice, agree to (i) release any person liable for any portion of the Obligations, (ii) extend the maturity or alter any of the terms of the indebtedness guaranteed hereunder or any other indebtedness secured hereby, (iii) grant other indulgences, (iv) release or reconvey, or cause to be released or reconveyed at any time at Beneficiary's option any parcel, portion or all of the Trust Property, (v) take or release any other or additional security for any obligation herein mentioned, or (vi) make compositions or other arrangements with debtors in relation thereto.

(a) No recovery of any judgment by Beneficiary and no levy of an execution under any judgment upon the Trust Property or upon any other property of Grantor shall affect the lien of this Deed of Trust or any liens, rights, powers or remedies of Beneficiary hereunder, and such liens, rights, powers and remedies shall continue unimpaired.

(b) If Beneficiary shall have the right to foreclose this Deed of Trust or to direct the Trustee to exercise its power of sale, Grantor authorizes Beneficiary at its option to foreclose the lien of this Deed of Trust (or to direct the trustee to sell the Trust Property, as the case may be) subject to the rights of any tenants of the Trust Property. To the extent permitted by applicable law, the failure to make any such tenants parties defendant to any such foreclosure



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proceeding and to foreclose their rights, or to provide notice to such tenants as required in any statutory procedure governing a sale of the Trust Property by Trustee, or to terminate such tenant's rights in such sale will not be asserted by Grantor as a defense to any proceeding instituted by Beneficiary to collect the Obligations or to foreclose this Deed of Trust.

(c) Unless expressly provided otherwise, in the event that ownership of this Deed of Trust and title to the Trust Property or any estate therein shall become vested in the same person or entity, this Deed of Trust shall not merge in such title but shall continue as a valid charge on the Trust Property for the amount secured hereby.

15. Security Agreement under Uniform Commercial Code. It is the intention of the parties hereto that this Deed of Trust shall constitute a Security Agreement within the meaning of the Uniform Commercial Code (the "Code") of the State in which the Trust Property is located. If an Event of Default shall be in effect, then in addition to having any other right or remedy available at law or in equity, Beneficiary shall have the option of either (i) proceeding under the Code and exercising such rights and remedies as may be provided to a secured party by the Code with respect to all or any portion of the Trust Property which is personal property (including, without limitation, taking possession of and selling such property), if any, or (ii) treating such property as real property and proceeding with respect to both the real and personal property constituting the Trust Property in accordance with Beneficiary's rights, powers and remedies with respect to the real property (in which event the default provisions of the Code shall not apply). If Beneficiary shall elect to proceed under the Code, then ten days' notice of sale of the personal property shall be deemed reasonable notice, and the reasonable expenses of retaking, holding, preparing for sale, selling and the like incurred by Beneficiary shall include, but not be limited to, reasonable attorneys' fees and legal expenses. At Beneficiary's request, Grantor shall assemble the personal property and make it available to Beneficiary at a place designated by Beneficiary which is reasonably convenient to both parties.

16. Assignment of Rents. Grantor hereby assigns to Trustee, for the benefit of Beneficiary, the Rents as further security for the payment and performance of all of the Obligations, and Grantor grants to Trustee and Beneficiary the right to enter the Trust Property for the purpose of collecting the same and to let the Trust Property or any part thereof, and to apply the Rents on account of the Obligations. The foregoing assignment and grant is present and absolute and shall continue in effect until the Obligations are paid and performed in full, but Beneficiary and Trustee hereby waive the right to enter the Trust Property for the purpose of collecting the Rents and Grantor shall be entitled to collect, receive, use and retain the Rents unless an Event of Default shall be in effect; such right of Grantor to collect, receive, use and retain the Rents may be revoked by Beneficiary if an Event of Default shall have occurred by giving not less than ten days' written notice of such revocation to Grantor; in the event such notice is given, Grantor shall pay over to Beneficiary, or to any receiver appointed to collect the Rents, the Rents and any lease security deposits. Grantor shall not accept prepayments of installments of Rent to become due for a period of more than one month in advance (except for security deposits and estimated payments of percentage rent, if any).

17. Trust Funds. To the extent required under applicable law, all lease security deposits of the Real Estate shall be treated as trust funds not to be commingled with any other funds of Grantor. Within 10 days after request by Beneficiary, Grantor shall furnish the



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Beneficiary satisfactory evidence of compliance with this section, together with a statement of all lease security deposits by lessees and copies of all Leases not previously delivered to the Beneficiary, which statement shall be certified by Grantor.

18. Additional Rights. The holder of any subordinate lien or subordinate deed of trust on the Trust Property shall have no right to terminate any Lease whether or not such Lease is subordinate to this Deed of Trust, nor shall Grantor consent to any holder of any subordinate lien or subordinate deed of trust joining any tenant under any Lease in any trustee's sale or action to foreclose such lien or modify, interfere with, disturb or terminate the rights of any tenant under any Lease. By recordation of this Deed of Trust all subordinate lienholders and the trustees and beneficiaries under subordinate deeds of trust are subject to and notified of this provision, and any action taken by any such lienholder or trustee or beneficiary contrary to this provision shall be null and void. Upon the occurrence of any Event of Default, Beneficiary may, in its sole discretion and without regard to the adequacy of its security under this Deed of Trust, apply all or any part of any amounts on deposit with Beneficiary under this Deed of Trust against all or any part of the Obligations.

19. Notices. All notices or other communications hereunder shall be given in writing and to the addresses set forth herein, provided Grantor, Beneficiary of Trustee may change their respective address by written notice to each other party hereto.

20. No Oral Modification. This Deed of Trust may not be changed or terminated orally. Any agreement made by Grantor and Beneficiary after the date of this Deed of Trust relating to this Deed of Trust shall be superior to the rights of the holder of any intervening or subordinate lien or encumbrance. Trustee's execution of any written agreement between Grantor and Beneficiary shall not be required for the effectiveness thereof as between Grantor and Beneficiary

21. Partial Invalidity. In the event any one or more of the provisions contained in this Deed of Trust shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof, but each shall be construed as if such invalid, illegal or unenforceable provision had never been included. Notwithstanding anything to the contrary contained in this Deed of Trust or in any provisions of the Credit Agreement or the Security Documents, the obligations of Borrowers and of any other Subsidiary Guarantor under the Obligations shall be subject to the limitation that neither Beneficiary nor any of the Lenders shall charge, take or receive, nor shall Grantor or any other Subsidiary Guarantor be obligated to pay to Beneficiary or any of the Lenders, any amounts constituting interest in excess of the maximum rate permitted by law to be charged by Beneficiary or any of the Lenders, as the case may be.

22. Grantor's Waiver of Rights. To the fullest extent permitted by law, Grantor waives the benefit of all laws now existing or that may subsequently be enacted providing for (i) any appraisal before sale of any portion of the Trust Property, (ii) any extension of the time for the enforcement of the collection of the Obligations or the creation or extension of a period of redemption from any sale made in collecting such debt and (iii) exemption of the Trust Property from attachment, levy or sale under execution or exemption from civil process. To the full extent Grantor may do so, Grantor agrees that Grantor will not at



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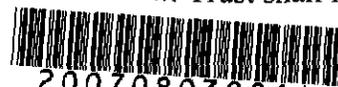
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any time insist upon, plead, claim or take the benefit or advantage of any law now or hereafter in force providing for any appraisal, valuation, stay of execution, exemption, extension or redemption, or requiring foreclosure of this Deed of Trust before exercising any other remedy granted hereunder and Grantor, for Grantor and its successors and assigns, and for any and all persons ever claiming any interest in the Trust Property, to the extent permitted by law, hereby waives and releases all rights of redemption, valuation, appraisal, stay of execution, notice of election to mature or declare due the whole of the secured indebtedness and marshalling in the event of exercise by Trustee or Beneficiary of the power of sale or other rights hereby created.

23. Remedies Not Exclusive. Beneficiary and Trustee shall be entitled to enforce payment and performance of all of the Obligations and to exercise all rights and powers under this Deed of Trust, the Promissory Note, or other agreement or any laws now or hereafter in force, notwithstanding some or all of the Obligations may now or hereafter be otherwise secured, whether by deed of trust, mortgage, security agreement, pledge, lien, assignment or otherwise. Neither the acceptance of this Deed of Trust nor its enforcement, shall prejudice or in any manner affect Beneficiary's or Trustee's right to realize upon or enforce any other security now or hereafter held by Beneficiary or Trustee, it being agreed that Beneficiary and Trustee shall, to the extent permitted by applicable law, be entitled to enforce this Deed of Trust and any other security now or hereafter held by Beneficiary or Trustee in such order and manner as Beneficiary may determine in its absolute discretion. No remedy herein conferred upon or reserved to Beneficiary or Trustee is intended to be exclusive of any other remedy herein or by law provided or permitted, but each shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute. To the extent permitted by applicable law, every power or remedy given by the Promissory Note to Beneficiary or Trustee or to which either may otherwise be entitled, may be exercised, concurrently or independently, from time to time and as often as may be deemed expedient by Beneficiary or Trustee, as the case may be. In no event shall Beneficiary or Trustee, in the exercise of the remedies provided in this Deed of Trust (including, without limitation, in connection with the assignment of Rents to Beneficiary, or the appointment of a receiver and the entry of such receiver on to all or any part of the Trust Property), be deemed a "mortgagee in possession," and neither Beneficiary nor Trustee shall in any way be made liable for any act, either of commission or omission, in connection with the exercise of such remedies.

24. Successors and Assigns. All covenants of Grantor contained in this Deed of Trust are imposed solely and exclusively for the benefit of Beneficiary, Trustee and the Lenders and their respective successors and assigns, and no other persons or entities shall have standing to require compliance with such covenants or be deemed, under any circumstances, to be a beneficiary of such covenants. All such covenants of Grantor shall run with the land and bind Grantor, the successors and assigns of Grantor (and each of them) and all subsequent owners, encumbrancers and tenants of the Trust Property, and shall inure to the benefit of Beneficiary, Trustee and the Lenders and their respective successors and assigns. The word "Grantor" shall be construed as if it read "Grantors" whenever the sense of this Deed of Trust so requires, and if there shall be more than one Grantor, the obligations of the Grantors shall be joint and several.

25. No Waivers, etc. Any failure by Beneficiary to insist upon the strict performance by Grantor of any of the terms and provisions of this Deed of Trust shall not be



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deemed to be a waiver of any of the terms and provisions hereof, and Beneficiary or Trustee, notwithstanding any such failure, shall have the right thereafter to insist upon the strict performance by Grantor of any and all of the terms and provisions of this Deed of Trust to be performed by Grantor. Beneficiary may release, regardless of consideration and without the necessity for any notice to or consent by the holder of any subordinate lien on the Trust Property, any part of the security held for the obligations secured by this Deed of Trust without, as to the remainder of the security, in any way impairing or affecting the lien of this Deed of Trust or the priority of such lien over any subordinate lien or deed of trust.

26. Governing Law, etc. This Deed of Trust shall be governed by and construed in accordance with the laws of the State in which the Premises are located, except that Grantor expressly acknowledges that by its terms the Promissory Note shall be governed and construed, to the extent provided for therein, in accordance with the laws of the State of Texas, and for purposes of consistency, Grantor agrees that in any *in personam* proceeding related to this Deed of Trust the rights of the parties to this Deed of Trust shall also be governed by and construed in accordance with the laws of the State of Texas governing contracts made and to be performed in that State.

27. Waiver of Trial by Jury. Grantor and Beneficiary each hereby irrevocably and unconditionally waive trial by jury in any action, claim, suit or proceeding relating to this Deed of Trust and for any counterclaim brought therein. Grantor hereby waives all rights to interpose any counterclaim in any suit brought by Beneficiary for foreclosure hereunder and all rights to have any such suit consolidated with any separate suit, action or proceeding. Such waiver shall not be construed so as to prevent Grantor or Borrowers from interposing a counterclaim against Beneficiary concerning the Obligations.

28. Certain Definitions. Unless the context clearly indicates a contrary intent or unless otherwise specifically provided herein, words used in this Deed of Trust shall be used interchangeably in singular or plural form and the word "Grantor" shall mean "each Grantor or any subsequent owner or owners of the Trust Property or any part thereof or interest therein," the term "Trustee" shall mean "Trustee and any successor trustee hereunder", the term "Obligations" shall mean "the Obligations and any other obligations secured by this Deed of Trust," the word "person" shall include any individual, corporation, partnership, trust, unincorporated association, government, governmental authority, or other entity, and the words "Trust Property" shall include any portion of the Trust Property or interest therein. Whenever the context may require, any pronouns used herein shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns and pronouns shall include the plural and vice versa. The captions in this Deed of Trust are for convenience of reference only and in no way limit or amplify the provisions hereof.

29. Receipt of Copy. Grantor acknowledges that it has received a true copy of this Deed of Trust.

30. Deficiency Judgment. Grantor acknowledges that Beneficiary's nonjudicial foreclosure on any security securing the Borrowers' Obligations may preclude Beneficiary from obtaining a deficiency judgment against Borrowers and may destroy any subrogation rights which Grantor has against Borrowers. Grantor hereby waives any right to asserting a defense to any action



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maintained by Beneficiary against Grantor for the balance of any of the Borrowers' Obligations remaining due. Grantor hereby waives any defense arising by reason of any claim or defense based upon an election of remedies by Beneficiary which in any manner impairs, reduces, releases, destroys, and/or extinguishes Grantor's subrogation rights, rights to proceed against Borrowers for reimbursement, and/or any other rights of the Grantor to proceed against Borrowers or any other person or security, including, but not limited to, any defense arising out of a nonjudicial foreclosure by Beneficiary upon any security securing the Borrowers' Obligations which would destroy Grantor's subrogation rights against Borrowers and otherwise prevent Beneficiary from proceeding against Grantor for the balance of the Obligations due.

31. Second Lien. Beneficiary acknowledges that the lien created by this Deed of Trust is secondary and subordinate to the existing lien on the Real Estate currently in favor Washington Mutual, N.A. and recorded in the recorded as Document 200211040165 with the County Auditor of Skagit County, Washington.

[Remainder of page intentionally left blank. Signature page follows.]

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:

The East 330 feet of the Southeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ of Section 32, Township 34 North, Range 4 East, W.M., EXCEPT County Road along the South line thereof.



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IN WITNESS WHEREOF, the undersigned has duly executed this instrument on July 30, 2007, which instrument is intended to be effective as of August 3, 2007.



Danial S. Cameron



Chris A. Cameron

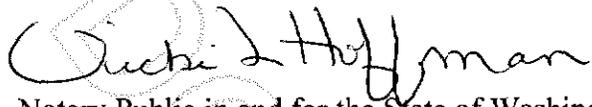
STATE OF WASHINGTON §
 §
COUNTY OF SKAGIT §

BEFORE ME, the undersigned authority, a Notary Public in and for the County and State aforesaid, on this day personally appeared Danial S. Camerson and Chris A. Cameron, known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same for the purposes and consideration therein expressed.

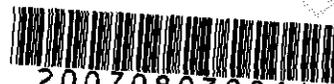
GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 30th day of July, 2007.

[Seal]





Notary Public in and for the State of Washington
My commission expires: 10-8-09



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