

AFTER RECORDING MAIL TO:

Boeing Employees' Credit Union  
Attn: Small Business Services M/S 1146-1  
P.O. Box 97050  
Seattle, Washington 98124-9750



201112290009

Skagit County Auditor

12/29/2011 Page 1 of 5 10:17AM

CHICAGO TITLE

620014049

---

**DEED OF TRUST  
ASSIGNMENT OF RENTS AND SECURITY AGREEMENT**

Reference Number: 3589246145

Borrower(s): Richard and Beverly Harrington Living Trust, dated February 7, 2001

Grantor(s): B. Harrington, Trustee under the Richard and Beverly Harrington Living Trust, dated February 7, 2001

Grantee(s)/Assignee/Beneficiary:

Boeing Employees' Credit Union, Beneficiary  
Regional Trustee Services Corporation, Trustee

Legal Description: Lot 2, City of Burlington Short Plat No. 1-94, approved August 6, 1994, recorded November 15, 1994, in Volume 11 of Short Plats, page 143, under Auditor's File No. 9411150001, records of Skagit County, Washington. Together with a non-exclusive easement for ingress and egress, over and across the East 15 feet of the South Half of the South Half of the West Half of the East Half of Tract 43, Plat of the Burlington Acreage Property, as per plat recorded in Volume 1 of Plats, page 49, records of Skagit County, Washington. Situated in Skagit County, Washington.

Assessor's Tax Parcel Identification Number(s): P107333 and 3867-000-043-2400

THIS DEED OF TRUST, made this 16th day of December, 2011 between B. Harrington, Trustee under the Richard and Beverly Harrington Living Trust, dated February 7, 2001 whose address is 327 South Burlington Boulevard, Burlington, WA 98233, GRANTOR(S), Regional Trustee Services Corporation, TRUSTEE whose address is 616 First Avenue, Suite 500, Seattle, Washington 98104, Boeing Employees' Credit Union, BENEFICIARY, whose address is P.O. Box 97050, Seattle, Washington 98124-9750

WITNESSETH: Grantor(s) hereby grants, conveys, and assigns to Trustee in trust, with power of sale, the following described property in Skagit County, State of Washington:

Property Address: 307-325 South Burlington Boulevard, Burlington, WA 98233

**TOGETHER** with all buildings, improvements and tenements now or hereafter erected on the property, and all heretofore or hereafter vacated alleys and streets abutting the property, and all easements, rights, appurtenances, rents (subject however to the assignment of rents to Beneficiary herein), royalties, mineral, oil and gas rights and profits, water, water rights and water stock appurtenant to the property, and, except to the extent owned by parties other than Grantor, all fixtures, machinery, equipment,

engines, boilers, incinerators, building materials, appliances and goods of every nature whatsoever now or hereafter located in, or on, or intended to be used in connection with the property, including, but not limited to, those for the purposes of supplying or distributing heating, cooling, electricity, gas, water, air and light; and all elevators, and related machinery and equipment, fire prevention and extinguishing apparatus, security and access control apparatus, plumbing, bath tubs, water heaters, water closets, sinks, ranges, stoves, refrigerators, dishwashers, disposals, washers, dryers, awnings, storm windows, storm doors, screens, blinds, shades, curtains and curtain rods, mirrors, cabinets, paneling, rugs, attached floor coverings, furniture, pictures, antennas, trees and plants, all of which, including replacements and additions thereto, shall be deemed to be and remain part of the real property covered by this Instrument; and all of the foregoing, together with said property (or the leasehold estate in the event the Instrument is on a leasehold) are herein referred to as the "Property".

This deed is for the purpose of securing performance of each agreement of Grantor(s) herein contained, and payment of the sum of Two Hundred Fifty Thousand Dollars (\$250,000.00) with interest, in accordance with the terms of a Business Loan Agreement dated December 16, 2011, payable to Beneficiary or order, and made by Grantor(s), and all renewals, modifications, and extensions thereof, and also such further sums as may be advanced or loaned by Beneficiary to Grantor(s), or any of his/her/their successors or assigns, together with interest thereon.

Grantor covenants that Grantor is lawfully seized of the Property hereby conveyed and has right to grant, convey and assign the Property (and, if this Instrument is on a leasehold, that the ground lease is in full force and effect without modification except as noted above and without default on the part of either lessor or lessee thereunder), that the Property is unencumbered, and that the Grantor will warrant and defend generally the title to the Property against all claims and demands, subject to any easements and restrictions listed in a schedule of exceptions to coverage in any title insurance policy insuring Beneficiary's interest in the Property.

**To protect the security of this Deed of Trust, Grantor(s) covenant(s) and agree(s):**

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(s). 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(s) in insurance policies then in force shall pass to the purchaser at the foreclosure sale.
4. If the Property is, or becomes, located in a designated flood hazard area, Grantor shall provide flood insurance equal to the lesser of the outstanding principal balance of the loan, or the maximum amount available under the National Flood Insurance Program
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(s) 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 Business Loan Agreement secured hereby, shall be added to and become a part of the debt secured in this Deed of Trust.
8. The Property is not used principally for agricultural or farming purposes.



201112290009  
Skagit County Auditor

**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. Any forbearance by Beneficiary in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any right or remedy. The acceptance by Beneficiary of payment of any sums secured by this Instrument after the due date of such payment shall not be a waiver of Beneficiary's right to either require prompt payment when due of all other sums so secured or to declare a default for failure to make prompt payment.

3. This Instrument is intended to be a security agreement pursuant to the Uniform Commercial Code for any of the items specified above as part of the Property which, under applicable law, may be subject to a security interest pursuant to the Uniform Commercial Code, and Grantor hereby grants Beneficiary a security interest in said items. Grantor agrees that Beneficiary may file this Instrument, or a reproduction thereof, with State Department of Licensing or other appropriate index, as a financing statement for any of the items specified above as part of the Property. Without the prior written consent of Beneficiary, Grantor shall not create or suffer to be created any other security interest or enter into any other security agreements in the personal property subject hereto.

4. As part of the consideration for the indebtedness evidenced by the Business Loan Agreement, Grantor hereby absolutely and unconditionally assigns and transfers to Beneficiary all rents and revenues of the Property, including those now due, past due, or to become due by virtue of any lease or other agreement for the occupancy or use of all or any part of the Property, regardless of to whom the rents and revenues of the property are payable together with all the right, title and interest in and to any and all existing or future leases, subleases, and any other written or verbal agreements for the use and occupancy of any portion of the Property, including any extensions, renewals, modifications or substitution of such agreements (all referred to as "Leases") and rents, issues and profits (all referred to as "Rents"). Grantor will promptly provide Lender with true and correct copies of all existing and future Leases. Grantor may collect, receive, enjoy and use the Rents so long as Grantor is not in default under the terms of this Security Instrument.

Grantor agrees that this assignment is immediately effective between the parties to this assignment and effective as to third parties on the recording of this Security Agreement. This assignment will remain in effect during any period of redemption by Grantor until the Secured Debts are satisfied. On receiving notice of default, Grantor will endorse and deliver to Lender any payment of Rents in Grantor's possession and will receive any Rents in trust for Lender and will not commingle the Rents with any other funds. Any amounts collected will be applied as provided in this Security Instrument. Grantor warrants that no default exists under the Leases or any applicable landlord/tenant law. Grantor also agrees to maintain and require any tenant to comply with the terms of the Leases and applicable law.

5. On sale or transfer of (i) all or any part of the Property, or any interest therein, or (ii) beneficial interests in Borrower or Grantor, Beneficiary may at its option declare all sums secured by this Deed of Trust to be immediately due and payable.

6. 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(s) and the Beneficiary, or upon satisfaction of the obligation secured and written request for reconveyance made by the Beneficiary or the person entitled thereto. Such person or persons shall pay any recordation costs and the Trustee's fee for preparing the reconveyance.

7. Upon default by Grantor(s) 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; and (3) the surplus, if any, shall be distributed to the persons entitled thereto.

8. 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(s) had or had the power to convey at the time of his/her/their execution of this Deed of Trust, and such as he/she/they 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.

9. 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.



201112290009  
Skagit County Auditor

10. In accordance with applicable law, Beneficiary may from time to time appoint a successor trustee to any trustee appointed hereunder who has ceased to act. Without conveyance of the Property, the successor trustee shall succeed to all the title, power and duties conferred upon the Trustee herein and by applicable law.

11. This Deed of Trust applies to, inures to the benefit of, and is binding not only on the parties hereto, but on his/her/their heirs, devisees, legatees, administrators, executors, and assigns. The term Beneficiary shall mean the holder and owner of the Business Loan Agreement secured hereby, whether or not named as Beneficiary herein.

GRANTOR:

B. Harrington, Trustee under the Richard and Beverly Harrington Living Trust, dated February 7, 2001

By: B. Harrington  
B. Harrington, Trustee  
R.W. Harrington  
R.W. Harrington, Trustee

STATE OF WASHINGTON}

County of Skagit } ss:

I hereby certify that I know or have satisfactory evidence that B. Harrington <sup>and R.W. Harrington</sup> is the person(s) who appeared before me, and said person(s) acknowledged that <sup>they are</sup> ~~(she)~~ signed this instrument, on oath stated that <sup>they are</sup> ~~she is~~ authorized to execute the instrument and acknowledge it as the Trustees of the Richard and Beverly Harrington Living Trust, dated February 7, 2001 to be free and voluntary act of such party for the uses and purposes mentioned in this instrument.

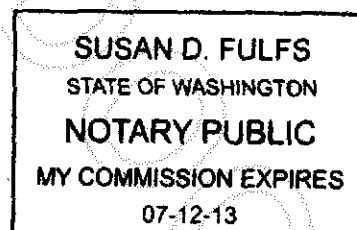
Dated: December 23, 2011

Susan D Fulfs  
Notary Public in and for the State of Washington

Susan D Fulfs  
Printed Name

Residing at Marystville

My appointment expires 7-12-2013



201112290009  
Skagit County Auditor

**REQUEST FOR FULL RECONVEYANCE**

*Do not record. To be used only when the Business Loan Agreement has been paid*

**TO: TRUSTEE**

The undersigned is the legal owner and holder of the business loan agreement and all other indebtedness secured by the within Deed of Trust. Said agreement, 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 agreement 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.

Date: \_\_\_\_\_

Beneficiary: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_



201112290009

Skagit County Auditor

12/29/2011 Page

5 of

5 10:17AM