



201209070051  
Skagit County Auditor

9/7/2012 Page 1 of 7 10:16AM

WHEN RECORDED RETURN TO:

PACIFIC HIGHWAY PROPERTIES, L.L.C.  
4214 PACIFIC HIGHWAY  
BELLINGHAM, WASHINGTON 98226

Document Title:	Deed of Trust
Grantor/borrower:	WHISPERING FIRS @ ALGER, L.L.C., a Washington limited liability company
Grantee/assignee/beneficiary:	PACIFIC HIGHWAY PROPERTIES, L.L.C., a Washington limited liability company
Trustee	FIRST AMERICAN TITLE INSURANCE COMPANY, INC.
Legal Description:	Lots 1 and 2, Block 5, "Plat of Alger, Skagit County, Washington"
Assessor's Tax Parcel ID#:	4042-005-001-0000; P70389

**DEED OF TRUST**

THIS DEED OF TRUST, made this 6<sup>th</sup> day of September, 2012, between WHISPERING FIRS @ ALGER, L.L.C., a Washington limited liability company, GRANTOR, whose address is 4214 Pacific Highway, Bellingham, WA, 98226, First American Title Insurance Company, Inc. as TRUSTEE, whose address is 11 Bellwether Way, Suite 301, Bellingham, WA 98225, and PACIFIC HIGHWAY PROPERTIES, L.L.C., a Washington limited liability company, BENEFICIARY, whose address is 4214 Pacific Highway, Bellingham, WA, 98226.

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

LOTS 1 AND 2, BLOCK 5, "PLAT OF ALGER, SKAGIT COUNTY, WASHINGTON", AS PER PLAT RECORDED IN VOLUME 4 OF PLATS, PAGE 9, RECORDS OF SKAGIT COUNTY, WASHINGTON.

EXCEPT ROADS; AND

UNRECORDED  
EXCEPT THOSE PORTIONS OF LOTS 1 AND 2, BLOCK 5, "PLAT OF ALGER, SKAGIT COUNTY, WASHINGTON", AS PER PLAT RECORDED IN VOLUME 4 OF PLATS, PAGE 9, RECORDS OF SKAGIT COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF SAID LOT 2; THENCE NORTHWESTERLY ALONG THE EAST LINE OF SAID LOT TO THE NORTHEAST CORNER THEREOF; THENCE WEST ALONG THE NORTH LINE OF SAID LOT 301.5 FEET; THENCE AT RIGHT ANGLES SOUTHERLY TO THE NORTH LINE OF PARK ROAD, AS SHOWN ON THE ABOVE PLAT; THENCE EAST ALONG THE NORTH LINE OF PARK ROAD TO THE PLACE OF BEGINNING.

TOGETHER WITH THAT PORTION OF VACATED PARK ROAD AS VACATED BY COMMISSIONER'S ORDER NO. 3084, ADJACENT THERETO.

1721 and 1745 Old Highway 99 North, Bellingham, Washington 98229.

PARCEL NO:

4042-005-001-0000; P70389

which real property is not used principally for agricultural purposes, together with all the tenements, hereditaments, and appurtenances now or hereafter thereunto belonging or in any way appertaining, and the rents, income, contract rights, issues and profits which are due or may become due, all tenements, hereditaments, and appurtenances now or hereafter thereunto belonging or in any wise appertaining, and the rents, issues and profits thereof, all amounts, compensation and settlements in lieu of taking of the Property by the power of eminent domain of the whole or the part of the Property.

This deed is for the purpose of securing performance of each agreement of Grantor herein contained, and payment of the sum of Five Hundred Fifty Thousand Dollars (\$550,000) 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 successor or assign, together with interest thereon at such rate as shall be agreed upon.

For purposes of Article 9 of the Uniform Commercial Code (RCW 62A.9), this Deed of Trust constitutes a Security Agreement with the Grantor being the Debtor and the Beneficiary being the Secured Party. This Deed of Trust also constitutes a Financing Statement filed as a fixture filing pursuant to Article 9 of the Uniform Commercial Code (RCW 62A.9-402(6)).

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



201209070051

Skagit County Auditor

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 and any personal property continuously insured against loss by fire or other hazards in an amount not less than the total debt secured by this Deed of Trust and the first position security 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. All such policies shall provide the Beneficiary with thirty (30) days notice of cancellation. 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. Grantor shall be responsible for procuring and paying for the cost of insurance as referenced herein.

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 the Deed of Trust, including the expenses of the trustee incurred in enforcing the obligation secured hereby, including costs of title search, 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 as of the date of such payment.

7. No portion of the loan proceeds secured by this Deed of Trust shall be used for any personal, family or household purpose.

8. The Grantor agrees to pay for any property appraisals that may be required in connection with a deficiency judgment proceeding.

**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 Beneficiary, or upon



201209070051

Skagit County Auditor

satisfaction of the obligation secured and written request for reconveyance made by the Beneficiary or the person entitled thereto.

4. Upon default in the payment of any indebtedness secured hereby or in the performance of any agreement contained herein, upon default in the promissory note secured hereby and/or upon the sale or transfer of any portion of or beneficial interest in the property identified above, all sums secured hereby shall immediately become due and payable at the option of the Beneficiary. In such event and upon written request of Beneficiary, Trustee or its authorized agent shall sell the trust property, 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 expenses of the sale, including reasonable Trustee's fee and attorney's fee; (2) to the obligation secured by this Deed of trust; (3) to the surplus, if any, shall be distributed to the persons entitled thereto or may be deposited (less clerk's filing fee) with the clerk of the Superior Court of the county in which sale takes place.

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 encumbrances 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 exclusive remedy; Beneficiary may cause this Deed of Trust to be foreclosed as a mortgage.

7. The Beneficiary may appoint in writing a successor trustee, and upon 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, legal representatives, successors and assigns. The term Beneficiary shall mean the holder and owner of the note secured hereby, whether or not named as Beneficiary herein.

**9. If there shall be any sale or transfer (including encumbering by mortgage or deed of trust or otherwise and/or as defined in the note secured hereby) of the subject property without Beneficiary's prior written consent, which consent may be unreasonably withheld, Beneficiary or any assignee or other holder hereof may declare the entire amount of the such promissory note secured by this deed of trust immediately due and payable in full.**

10. If foreclosure be made by Trustee, to the extent allowed by law, reasonable attorneys' fees for services in the supervision of foreclosure proceedings shall be allowed by Trustee as part of the costs of foreclosure. After deducting all costs, fees and expenses of Trustee and of this Deed of Trust, including cost of evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment of all sums expended under the terms hereof, not then repaid, with accrued interest at the Default Rate as herein provided; all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto or may



201209070051

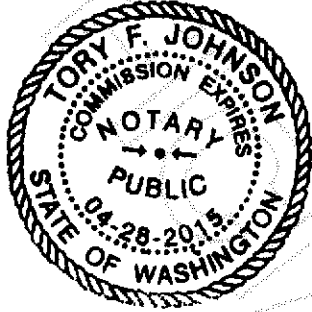
Skagit County Auditor



STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF WHATCOM )

I certify that I know of have satisfactory evidence that CHARLES T. "CHUCK" WOLTERS is the person who appeared before me, and said person acknowledged that he signed this instrument and acknowledged it as the Manager of WHISPERING FIRS @ ALGER, L.L.C. to be its free and voluntary act for the uses and purposes mentioned in the instrument.

SUBSCRIBED to before me this 6<sup>th</sup> day of September, 2012.



*Tory F Johnson*

Printed Name: Tory F Johnson  
Notary Public in and for the State of  
Washington, residing at Whatcom County.  
My Commission Expires 4-28-2015.



201209070051  
Skagit County Auditor

**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 \_\_\_\_\_ 20\_\_

Mail reconveyance to:



201209070051

Skagit County Auditor