

WHEN RECORDED RETURN TO:
 Skagit State Bank
 301 E. Fairhaven Ave
 P O Box 285
 BURLINGTON, WA 98233

200102080022
 Skagit County Auditor
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WASHINGTON UCC-2 COUNTY AUDITOR FIXTURE FILING

1. Grantor(s): (last name first, and mailing address(es)) PALMER'S RESTAURANT, INC. TIN. 91-2018065 PO BOX 599 MOUNT VERNON, WA 98273	2. Grantee(s)/Assignee/Beneficiary: Skagit State Bank 301 E. Fairhaven Ave P O Box 285 BURLINGTON, WA 98233	3. Assignee(s) of Secured Party(ies):
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THIS FIXTURE FILING SHALL COVER COLLATERAL THAT IS AFFIXED TO THE FOLLOWING DESCRIBED PROPERTY.
 Reference Number:
 Short Legal Description: LACONNER, BLOCK M, LOT 6 THROUGH 12, EXCEPT THAT PORTION OF
 LOT 12 CONVEYED TO THE TOWN OF LACONNER BY DEED REC AF#85530
 Assessor's Tax Parcel ID#: 4123-013-012-0102
 Leg
 al Description: COMMONLY KNOWN AS PALMER'S RESTAURANT, 205 E. WASHINGTON ST., LACONNER, WA 98257

THIS FIXTURE FILING COVERS THE FOLLOWING DESCRIBED PROPERTY
 All Fixtures; whether any of the foregoing is owned or acquired later; all accessions, additions, replacements, and
 substitutions relating to any of the foregoing; all records of any kind relating to any of the foregoing; all proceeds relating
 to any of the foregoing (including insurance, general intangibles and accounts proceeds) SEE ATTACHED SCHEDULE "A
 & B".

4. The debtor is the record owner.
 5. This statement is signed by the Secured Party(ies) instead of the Debtor(s) to perfect a security interest in collateral: (Please check appropriate box)
 (a) already subject to security interest in another jurisdiction when it was brought into this state, or when the debtor's location was changed to this state, or
 (b) which is proceeds of the original collateral described above in which a security interest was perfected, or
 (c) as to which the recording has lapsed, or
 (d) acquired after a change of name, identity, or corporate structure of the debtor(s).
6. Complete fully if box (d) is checked:
 complete as applicable for (a), (b), and (c):
 Original recording number _____
 Office where recorded _____
 Former name of debtor(s) _____

Dated _____, 20____

Thomas E. Palmer, President and Danielle Palmer, Secretary
 TYPE NAME(S) OF DEBTOR(S) (or assignor(s))

 SIGNATURE(S) OF DEBTOR(S) (or assignor(s))

Skagit State Bank
 TYPE NAME(S) OF SECURED PARTY(ES) (or assignee(s))

 SIGNATURE(S) OF SECURED PARTY(ES) (or assignee(s))

Schedule "A" - PALMER'S RESTAURANTS, INC.

All of the restaurant equipment, furniture, and fixtures and leasehold improvements of every kind, age, make and description used in the operation of the Palmer's Restaurants, 416 Myrtle St., Mount Vernon, Washington, 98273, and 205 E. Washington St., LaConner, WA 98257, hereafter acquired, whether for substitution, addition or replacement, during the continuance of this Security Agreement, including but not limited to all signs, light fixtures, blinds, shelving, display cases and all other miscellaneous items including but not limited to the following:

See attached Schedule B - three page equipment listing.

ALSO: All glasses, dishes, silverware, serving utensils, chef and sever uniforms, high chairs, large and small appliances, sinks, booster seats, changing station, serving trays, pots, pans, entertainment/stereo system and accessories, security system, and office equipment and supplies, and computer equipment, accessories, and software now owned or hereafter acquired.

ALSO: All inventory in the approximate amount of \$7,900.00 including but not limited to the following: food, beverages, liquor, staples, sundries, gift items and all other miscellaneous inventory.

It is understood and agreed by and between the Mortgagee and the Mortgagee that the stock-in-goods above referred to is a shifting stock-in-trade to be sold by the Mortgagee in the regular course of business, and that the value of the same as it now exists is not less than \$16,900.00 (approx.), and that the Mortgagee does hereby covenant and agree that a strict account of all such sales shall be kept by them, and that on or before the 31st day of January, 2001, and annually thereafter she shall render a statement of all sales made from said stock to the said Mortgagee and that the gross proceeds of such sales shall be applied first to paying the operating expenses of the business of the Mortgagee and second to keeping the said stock-in-trade replenished to its present market value, and that after said expenditures have been made, from the net proceeds of such sales there shall be paid by the Mortgagee to the said Mortgagee the payment of debt hereby secured.

All of the above being located in and on the property known as Lots 10 and 11, Block 1, "Map of Gates' Third Addition to Mt. Vernon Skagit Co., Washington" commonly known as 416 and 420 Myrtle St., City of Mount Vernon, Skagit County, Washington and LaConner, Block M, Lot 6 through 12, commonly known as 205 E. Washington St., LaConner, WA, Skagit County.

Signed at Burlington, Washington
this 1st day of February, 2001

Thomas Palmer
Thomas Palmer, President

Danielle Palmer
Danielle Palmer, Secretary-Treas.



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, Skagit County Auditor

SCHEDULE B

- 1. 120 Forks #1
- 2. 70 Knives #1
- 3. 50 Teaspoons #1
- 4. 20 Dessert Spoons
- 5. 12 Cocktail Forks
- 6. 12 Butter Knives
- 7. 12 Steak knives
- 8. 16 Bread Baskets
- 9. 4 Cake Savers
- 10. 75 11.5" Dinner Plates
- 11. 72 90.25 Libbey Glass Plates
- 12. 50 8" Acoroc Salad Plates
- 13. 35 6" Acoroc Dessert Plates
- 14. 75 5.5" Bread & Butter Plates
- 15. 45 Coffee Cups
- 16. 45 Saucers
- 17. 20 Sugar Packet Holders
- 18. 2 Pepper Mills
- 19. 26 Pairs Salt & Pepper
- 20. 74 Chairs
- 21. 2 4" Banquettes
- 22. 25 Tables
- 23. 28 Deck Chairs
- 24. 9 Deck Tables
- 25. 4 Deck Umbrellas
- 26. 70 Water Goblets
- 27. 78 Wine Glasses #1
- 28. 38 Wine Glasses A#2
- 29. 36 Pounder Glasses
- 30. 28 Schooners
- 31. 25 Highball
- 32. 14 Rocks
- 33. 20 Misc. Glasses
- 34. 16 Buckets
- 35. 12 Coffee Mugs (glass)
- 36. 60 Forks #2



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75.	3 Full Roasting Pans
74.	8 10" Aluminum Sauté Pans
73.	8 9" Steel Sauté Pans
72.	6 11" Steel Sauté Pans
71.	1 10 qt. Stock Pot
70.	1 12 qt. Stock Pot
69.	2 5 qt. Sauce Pans
68.	2 8 qt. Sauce Pans
67.	1 8 qt. Braiser
66.	1 14 qt. Braiser
65.	3 20 qt. Stock Pots
64.	8 Stainless Mixing Bowls
63.	8 4" Hotel Pans (1/9)
62.	25 4" Hotel Pans (1/6)
61.	8 4" Hotel Pans (1/3)
60.	8 4" Hotel Pans (Half)
59.	6 4" Hotel Pans (Full)
58.	4 18x20" Cutting Boards
57.	1 Cuisinart
56.	1 5 qt. Kitchen Aid Mixer
55.	1 12" Globe Slicer
54.	1 Waterless Steam Table (2 bin)
53.	1 27" Victory Sandwich Cold Table
52.	1 Bin-Pot Sink
51.	1 60" Butcher Block Work table w/ undershelf (Highback)
50.	2 36" Vulcan-Hart 6-burner Ranges (Stainless w/ new stainless
49.	1 60" True extra deep Cold sandwich Stainless Prep Table (new)
48.	1 60" 2-Shelf Hot & Cold Pass Work Table w/ under shelf
47.	1 Stainless Dish Rack under counter shelving
46.	1 36" Drain Board
45.	1 2-bin Sink w/ 8' Drain Boards
44.	1 ADS Dish Sanitizer Kitchen (new)
43.	1 CMA "Dish" Sanitizer w/ heater bar (new)
42.	1 Misc. Plates & Saucers (catering)
41.	1 Misc. Bar Glassware (archives)
40.	1 Reneka single group Espresso (110)
39.	42 Soup Spoons #2
38.	58 Spoons #2
37.	75 Knives #2



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- 76. 8 Kitchen Mats
- 77. 1 2-door Manitowoc Freezer
- 78. 1 Ice Machine (250# Head)
- 79. 14 Belle Epoch French Posters (Framed)
- 80. 1 Well's Bread Drawer
- 81. 1 Well's Soup Warmer
- 82. 1 2-door Reach-in Cooler
- 83. 1 Time Clock
- 84. 1 Under counter Freezer
- 85. 6 2.2L Airpots
- 86. 4 1L Pour Pots
- 87. 6 Bar Stools
- 88. 1 Under counter Fridge

Thomas Palmer

Thomas Palmer, President

Danielle Palmer

Danielle Palmer, Secretary-Treasurer



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