

AFTER RECORDING MAIL TO:

Wilder Construction Co., Inc.

3876 Hannegan Road

Bellingham, WA 98226



200109100159

Skagit County Auditor

9/10/2001 Page 1 of 4 3:56:02PM

ACCOMMODATION RECORDING

Note No. _____

DEED OF TRUST

(For use in the state of Washington only)

Island Title Company has placed this document for recording as a customer courtesy and accepts no liability for its accuracy or validity

Reference Numbers of related documents:

Grantor(s): **HOMESTEAD NW DEV. CO., a Washington business corporation**

Grantee(s): **WILDER CONSTRUCTION CO., INC., a Washington business corporation**

Legal Description (abbreviated): **A Portion of The Cedars**

Assessor's Property Tax Parcel Account Number(s): **A portion of 4705-000-900-0400**

THIS DEED OF TRUST, made this 24th day of August, 2001, between

HOMESTEAD NW DEV. CO., a Washington business corporation, GRANTOR, whose address is 506 W. Grover Street, Suite 101, Lynden, WA 98264, **WHATCOM LAND TITLE CO., INC., a Washington business corporation, TRUSTEE**, whose address is 2011 Young Street, Bellingham, WA 98227, and **WILDER CONSTRUCTION CO., INC., a Washington business corporation, BENEFICIARY**, whose address is **3876 Hannegan Road, Bellingham, WA 98226.**

WITNESSETH Grantor hereby bargains, sells, and conveys to Trustee in trust, with power of sale, the following described real property in **SKAGIT** County, Washington.

FOR LEGAL DESCRIPTION SEE EXHIBIT A WHICH IS ATTACHED HERETO AND BY THIS REFERENCE INCORPORATED HEREIN.

SITUATE IN SKAGIT COUNTY, WASHINGTON.

Assessor's Property Tax Parcel/Account Number: **A portion of 4705-000-900-0400**

Which real property is not used principally for agricultural or farming purposes, together with all the tenements, hereditaments, and appurtenances now or hereafter thereunto belonging or in any wise appertaining, and the rents, issues, and profits thereof.

This deed is for the purpose of securing performance of each agreement of Grantor herein contained, and payment of the sum of EIGHT HUNDRED THOUSAND AND 00/100 (\$800,000.00) DOLLARS with interest, in accordance with the terms of an Agreement dated Aug 24, 2001, 2001, 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.

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 come 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 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.

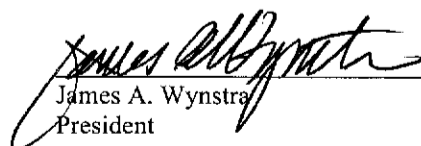
5. Trustee shall deliver to the purchaser at the sale its deed, without warranty, which shall convey to the purchaser the interest in the property which grantor had or had the powers to convey at the time of his execution of this Deed of Trust, and such as he may have acquired thereafter. Trustee's deed 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. 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.

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

HOMESTEAD NW DEV. CO.


James A. Wynstra
President

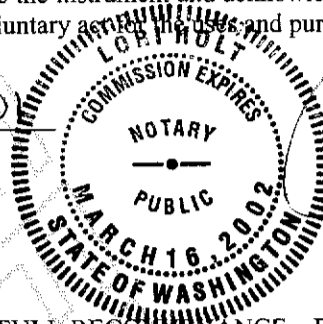


200109100159
, Skagit County Auditor

STATE OF WASHINGTON)
) ss
COUNTY OF WHATCOM)

I hereby certify that I know or have satisfactory evidence that James A. Wynstra is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the President of HOMESTEAD NW DEV. CO. to be his free and voluntary act for the uses and purposes mentioned in this instrument.

Dated: 8/24/01



[Signature]
Notary Public in and for the State of Washington
Residing at Lynden
My appointment expires: 3/16/2002

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 _____



200109100159
, Skagit County Auditor

EXHIBIT 'A'

PARCEL A:

The East Half of Tract 78, PLAT OF BURLINGTON ACREAGE PROPERTY, according to the plat thereof recorded in Volume 1 of Plats, page 49, records of Skagit County, Washington.

PARCEL B:

The East Half of the West Half of Tract 78, PLAT OF BURLINGTON ACREAGE PROPERTY, according to the plat thereof recorded in Volume 1 of Plats, page 49, records of Skagit County, Washington.

PARCEL C:

The East Half of Tract 81 and the East 31.1 feet of the West Half of said Tract 81, PLAT OF BURLINGTON ACREAGE PROPERTY, according to the plat thereof recorded in Volume 1 of Plats, page 49, records of Skagit County, Washington;

EXCEPT that portion of the above Parcels A and B described as follows:

Beginning at the Northeast corner of said Tract 78;
Thence South $00^{\circ}39'17''$ East a distance of 24.56 feet along the East line of said Tract 78 to a cusp;
Thence along the arc of a curve concave to the Southwest having a radius of 25.00 feet and an initial tangent bearing of North $00^{\circ}39'17''$ West through a central angle of $88^{\circ}58'26''$ an arc distance of 38.82 feet to a point of compound curvature;
Thence along the arc of said curve to the left having a radius of 59.80 feet, through a central angle of $22^{\circ}03'29''$ an arc distance of 22.95 feet to a point of tangency;
Thence South $68^{\circ}18'48''$ West a distance of 51.36 feet to a point of curvature;
Thence along the arc of said curve to the right having a radius of 360.00 feet, through a central angle of $33^{\circ}36'15''$ an arc distance of 211.14 feet to a point of tangency;
Thence North $78^{\circ}04'58''$ West a distance of 13.57 feet;
Thence North $89^{\circ}37'43''$ West a distance of 628.83 feet parallel with the North line of said Tract 78 to the West line of said East Half of the West Half of Tract 78;
Thence North $00^{\circ}25'41''$ West a distance of 40.00 feet along said West line to the Northwest corner thereof;
Thence South $89^{\circ}37'43''$ East a distance of 944.47 feet along said North line to the point of beginning;

EXCEPT from the above described Parcels A, B and C that portion lying with the Cedars, a Condominium, according to Amended Declaration thereof recorded February 5, 1998, under Auditor's File No. 9802050054, records of Skagit County, Washington, and Amended Survey Map and Plans thereof recorded in Volume 16 of Plats, pages 214 through 219, records of Skagit County, Washington;

AND EXCEPT from the above described Parcels A, B and C that portion lying within the Cedars, a Condominium, according to Second Amended Declaration thereof recorded July 13, 1999, under Auditor's File No. 9907130111, records of Skagit County, Washington, and Second Amended Survey Map and Plans thereof recorded in Volume 17 of Plats, pages 81 through 85, records of Skagit County, Washington;

AND ALSO EXCEPT from the above described Parcels A, B and C that portion lying within the Cedars, a condominium, according to Third Amended Declaration thereof recorded September 17, 1999, under Auditor's File No. 199909170116, records of Skagit County, Washington, and Third Amended Survey Map and Plans thereof recorded September 17, 1999, under Auditor's File No. 199909170115, records of Skagit County, Washington.

AND ALSO EXCEPT from the above described Parcels A, B AND C that portion lying within the Cedars, a condominium, according to Fourth Amended Declaration thereof recorded August 24, 2000, under Auditor's File No. 200008240077, records of Skagit County, Washington, and Fourth Amended Survey Map and Plans thereof recorded August 24, 2000, under Auditor's File No. 200008240076, records of Skagit County, Washington.

ALL situated in Skagit County, Washington.



200109100159
Skagit County Auditor