



200112310145

Skagit County Auditor

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FILED FOR RECORD AT THE
REQUEST OF/RETURN TO:
Craig E. Cammock
Law Office of Craig E. Cammock
P.O. Box 836 / 415 Pine Street
Mount Vernon, WA. 98273

LAND TITLE COMPANY OF SKAGIT COUNTY

DEED OF TRUST

Grantor (s) B.C. GROUP, L.L.C., a Washington limited liability company

Grantee (s) ART HILSTEAD AND LOIS HILSTEAD, husband and wife

Abbreviated Legal: a ptn of the SW ¼, 29-36-4 E.W.M.
a ptn of the SE ¼, 30-36-4 E.W.M.
a ptn of the NE ¼, 31-36-4 E.W.M.
a ptn of the NW ¼, 32-36-4 E.W.M.

Additional Legal on page(s) Exhibit A

Assessor's Tax Parcel No's: P50241, 360429-0-005-0006; P50298, 360429-3-004-0001;
P50301, 360429-3-007-0008; P50302, 360429-3-007-0107; P50305, 360429-3-009-0006;
P50306, 360429-3-009-0105; P50307, 360429-3-010-0003; P50308, 360429-3-011-0002;
P50319, 360429-3-016-0015; P50378, 360430-4-001-0249; P50388, 360430-4-007-0102;
P50399, 360431-1-003-0002; P50475, 360432-2-008-0111; P50477, 360432-2-009-0003

THIS DEED OF TRUST, made this 21st day of December, 2001, between B.C. GROUP, L.L.C., a Washington limited liability company, as Grantor, whose address is 304 W. Lila Lane, Burlington, Washington 98233, and Land Title Company of Skagit County, as Trustee, whose address is 111 E. George Hopper Road, Burlington, Washington 98233; and Art Hilstead and Lois Hilstead, husband and wife, as beneficiaries.

WITNESSETH: Grantor hereby bargains, sells and conveys to Trustee in Trust, with power of sale, the following described real property in Skagit County, Washington: See Exhibit "A" attached hereto and incorporated herein by this reference, 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 of trust is for the purpose of securing performance of each agreement of grantor herein contained, and payment of the sum of \$150,000.00 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 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 improvements 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 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 hazards in an amount not less than \$150,000. 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 become 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 portions 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 wh



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 fees; (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 power to convey at the time of its execution of this deed of trust, and such as it may have acquired thereafter. Trustee's deeds 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 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 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 and assigns. The term beneficiary shall mean the holder and owner of the note secured hereby, whether or not named as beneficiary herein.

9. In the event of default by the grantor in the payment of any indebtedness secured hereby or the performance of any other agreement, obligation or condition in this deed of trust, the beneficiary shall be entitled to collect and retain the rents, issues and profits from said property



or any part thereof, either with or without taking possession.

Steve Beitler

Steve Beitler, Member B.C. Group, L.L.C.

Jim Cress

Jim Cress, Member B.C. Group, L.L.C.



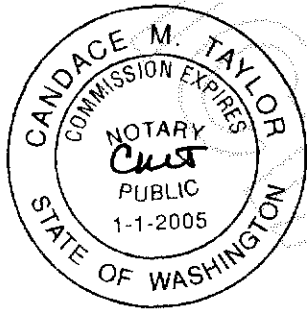
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State of Washington)
) ss
County of Skagit)

I certify that I know or have satisfactory evidence that STEVE BEITLER is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as a MEMBER of B.C. GROUP, L.L.C., a Washington limited liability company, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.



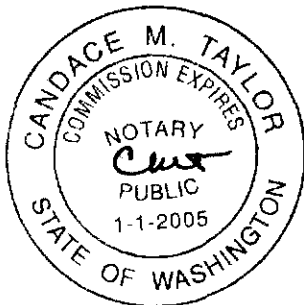
Dated: 12-26-01

Candace M. Taylor
(Signature)
NOTARY PUBLIC

Print Name of Notary
My appointment expires: 1/1/05

State of Washington)
) ss
County of Skagit)

I certify that I know or have satisfactory evidence that JAMES CRESS is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as a MEMBER of B.C. GROUP, L.L.C., a Washington limited liability company, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.



Dated: 12-26-01

Candace M. Taylor
(Signature)
NOTARY PUBLIC

Print Name of Notary
My appointment expires: 1/1/05

EXHIBIT A

(LEGAL DESCRIPTION)

SUBJECT TO: Easements, restrictions and reservations of record.

Situate in Skagit County, State of Washington.



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Exhibit A

PARCEL "A":

That portion of the Southwest $\frac{1}{4}$ of Section 29, Township 36 North, Range 4 East, W.M., lying Westerly of the Old Highway 99 North,

EXCEPT the North $\frac{1}{2}$ of the North $\frac{1}{2}$ of the North $\frac{1}{2}$ of said Southwest $\frac{1}{4}$.

Situate in the County of Skagit, State of Washington.

PARCEL "B"

That portion of the Northeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 29, Township 36 North, Range 4 East, W.M., lying Easterly of Old Highway 99 North.

Situate in the County of Skagit, State of Washington.

PARCEL "C":

Lot 1, Short Plat No. 22-84, approved May 31, 1984, recorded June 1, 1984, in Book 6 of Short Plats, page 155, under Auditor's File No. 8406010012, and being a portion of the Northwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of Section 32, and the Southwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 29, all in Township 36 North, Range 4 East, W.M.

Situate in the County of Skagit, State of Washington.

PARCEL "D":

Lot 2 of Short Plat No. 95-80, approved October 24, 1980, recorded October 30, 1980, in Book 4 of Short Plats, page 194, under Auditor's File No. 8010300031, records of Skagit County, Washington, and being a portion of the Southeast $\frac{1}{4}$ of Section 30, Township 36 North, Range 4 East, W.M.

Situate in the County of Skagit, State of Washington.

PARCEL "E":

That portion of the Northeast $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ of Section 30, Township 36 North, Range 4 East, W.M., lying Easterly of Friday Creek Road.

Situate in the County of Skagit, State of Washington.

PARCEL "F":

That portion of the East $\frac{1}{2}$ of the Northeast $\frac{1}{4}$ of Section 31, Township 36 North, Range 4 East, W.M., lying East of the Old Samish Road, also known as Friday Creek Road and as Abbey Road, and lying Northwesterly of Pacific Highway (State Road No. 1); ALSO, that portion of the Northwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of Section 32, Township 36 North, Range 4 East, W.M., lying Westerly of the Pacific Highway.

Situate in the County of Skagit, State of Washington.



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