

When Recorded Please Return To:
Lawrence A. Pirkle
321 West Washington, Suite 300
Mt. Vernon, WA 98273



200202150170
Skagit County Auditor
2/15/2002 Page 1 of 4 4:14PM

This Space For Recorder's Use Only

DEED OF TRUST

(For Use in the State of Washington Only)

Grantor: H. William Conklin and Judith D. Conklin, husband and wife
Grantee: Liberty Properties, L.P., a Washington Limited Partnership
Abbreviated Legal: S 155 FT OF N 440 FT W OF RD OF LT 1 EXC N 40.00 FT THOF
Assessor's Tax Parcel Number: 340227-0-005-0002

THIS DEED OF TRUST, made this 14th day of February 2002 between **GRANTOR**, H. WILLIAM CONKLIN AND JUDITH D. CONKLIN, husband and wife, whose address is 16062 Sneeoosh Rd., LaConner, WA 98257, **LAND TITLE COMPANY OF SKAGIT COUNTY**, a corporation, **TRUSTEE** whose address is PO Box 445, Burlington, Washington and **LIBERTY PROPERTIES, L.P.**, a Washington Limited Partnership, **BENEFICIARY**, whose address is PO Box 723, Coupeville, WA 98239. **WITNESSETH:** Grantor hereby bargains, sells and conveys to Trustee in Trust, with power of sale, the following described real property in Skagit County Washington:

S 155 FT OF N 440 FT W OF RD OF LT 1 EXC N 40.00 FT THOF

More fully set forth on Exhibit "A" 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 is for the purpose of securing performance of each agreement of grantor herein contained, and payment of the sum of Two Hundred Ninety Four Thousand Five Hundred Forty Dollars and 54/100 (\$294,540.54) 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 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 file property described herein continuously insured against loss by fire or other hazards in all 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 apply, 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 existence 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 herein above 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 the Deed of Trust.

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 this _____ day of _____, _____



200202150170
Skagit County Auditor
2/15/2002 Page 3 of 4 4:14PM

Exhibit "A"
H. Conklin

That portion of Government Lot 1 in Section 27, Township 34 North, Range 2, East W.M., described as follows:

Beginning at the Northeast corner of said Government Lot 1; thence South 90° West 37.5 feet; thence South 0° East 440 feet, more or less, to a hub on the West side of the Snee-Oosh Highway right-of-way, known as Secondary Road Project No. 69, as said road existed on April 6, 1943, and the TRUE POINT OF BEGINNING of this description, said point being the Northeast corner of a tract conveyed to Ace Webster by deed dated April 7, 1943, recorded April 9, 1943, as Auditor's No. 361259; thence South 90° West along the North line of said Webster tract 1000 feet, more or less, to the shore line; thence North along said shore line 155 feet, more or less, to a point which is 285 feet South of the North line of said Government Lot 1, as measured at right angle to said North line; thence East along a line which is parallel to and 285 feet South of the North line of said Government Lot 1, 1000 feet, more or less, to the West line of the aforesaid Snee-Oosh Highway; thence South along said West line to the TRUE POINT OF BEGINNING. EXCEPT the North 40 feet thereof.



200202150170

Skagit County Auditor

2/15/2002 Page 4 of 4

4:14PM