

RETURN ADDRESS:

Gina Turkel
VW Credit, Inc.
3800 Hamlin Road
Auburn Hills, MI 48326



200403120009
Skagit County Auditor

3/12/2004 Page 1 of 25 8:43AM

DEED OF TRUST

110187-T

LAND TITLE OF SKAGIT COUNTY

Reference # (if applicable): _____ Additional on page _____

Grantor:
T&S VENTURES LLC

Grantee/Assignee/Beneficiary:
VW CREDIT, INC. Beneficiary
LAND TITLE COMPANY OF SKAGIT COUNTY, Trustee

Legal Description: Ptn SW ¼ of NE ¼ & ptn of SE ¼ of NW ¼, 7-34-4 E W.M., aka Tr. 1, BSP 9703130010.

Assessor's Tax Parcel ID Number: P111082

THIS DEED OF TRUST (the "DEED OF TRUST") is made this 8 day of March, 2004, among **T&S VENTURES, LLC**, a Washington limited liability company, whose address is 3720 Mohawk Court, Mt. Vernon, Washington 98273 ("Grantor"); **VW CREDIT, INC.**, a Delaware corporation (the "Lender" or "Beneficiary"), whose address is 3800 Hamlin Road, Auburn Hills, Michigan 48326; and **LAND TITLE COMPANY OF SKAGIT COUNTY**, a Washington corporation, whose address is PO Box 445, 111 East George Hopper Road, Burlington, Washington 98233 ("Trustee").

This DEED OF TRUST is given for purpose of securing the following:

1. Performance of all obligations of Grantor under any agreements of Grantor contained herein or incorporated herein by reference.
2. Payment of indebtedness in the total principal amount of Four Million Seven Hundred Twenty Thousand and 00/100 Dollars (\$4,720,000), together with interest thereon, as provided in and evidenced by that certain Promissory Note of even date herewith executed by Grantor in favor of Lender (the "Note"), and any and all modifications, extensions, restatements and renewals thereof.
3. Performance of all obligations of or indebtedness now or hereafter owing to Lender from Grantor.

4. Payment of such further sums as Grantor (or any successor in interest to Grantor as the owner of all or any part of the property covered by this DEED OF TRUST) may borrow from Lender when evidenced by another note or notes, payable to Lender or order and made by Grantor or any successor in ownership of the property encumbered hereby.

5. Payment of all sums advanced or paid out by the Lender under any provision of this DEED OF TRUST or to protect the security of this DEED OF TRUST.

6. Payment of the guaranty obligations of Grantor under that certain Cross-Guaranty, Cross-Default and Cross-Collateralization Agreement dated contemporaneously herewith.

This DEED OF TRUST, and any other instruments given to evidence or further secure the payment and performance of any obligation secured hereby may hereafter be referred to as the "Loan Documents." The obligations of Grantor described in paragraphs 1, 2, 3, 4, 5 and 6 above are hereinafter referred to as the "Obligations." The payment obligations of Grantor described in Paragraphs 2, 3, 4, 5 and 6 above are hereinafter referred to as the "Indebtedness."

KNOW ALL MEN BY THESE PRESENTS:

That Grantor hereby warrants, gives, grants, bargains, sells and conveys to Trustee in trust with power of sale, right of entry and possession with DEED OF TRUST COVENANTS and for the benefit of Lender as Beneficiary to secure the Obligations, that certain parcel or parcels of land in Burlington, Skagit County, Washington, as more particularly described on Exhibit "A" annexed hereto and made a part hereof and identified by the signature of the Grantor thereon, together with:

- a. All buildings, improvements and fixtures now or hereafter located on said land.
- b. All easements, tenements, hereditaments and appurtenances thereunto belonging or in any way appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits of the aforesaid property and all the estate, title and interest, homestead or other claim or demand, as well in law as in equity, which Grantor now has or hereafter may acquire, of, in or to said property, or any part thereof, with the appurtenance thereto.
- c. All of Grantor's right, title and interest in, to or under the property described in Exhibit B attached hereto, made a part hereof and comprising one (1) page.



Grantor's interest in and to the land, buildings, improvements and the rights and property described in paragraphs (a) through (c) above are hereinafter referred to collectively as the "Property."

The Grantor covenants that no occupant, including without limitation, the Grantor, will use the Property or any portion thereof in violation of any law, and that whenever, in consequence of an alleged violation, the occupant's use of the Property shall be prohibited or enjoined by any public official or court, the violation shall be deemed conclusively proved for the purposes of this DEED OF TRUST.

ARTICLE I COVENANTS AND AGREEMENTS OF GRANTOR

Grantor hereby covenants and agrees:

1.00 Payment of Indebtedness. Grantor will pay the Indebtedness hereby secured promptly when and as said Indebtedness becomes due and payable.

1.01 Liens. Grantor, absent the written consent of Lender, will not suffer any lien to be created hereafter upon the Property, or any part thereof, prior to the lien of this DEED OF TRUST, and will not do or permit any act or omission whereby the value of the Property, or lien hereof or of any estate or title covered hereby, may be diminished or impaired in any way.

1.02 Maintenance, Repair and Alterations. Grantor will keep any buildings and improvements constructed on the Property in good condition and repair, will not remove or demolish any buildings or improvements thereon, and commit or permit no waste thereon. Should said building or buildings, or any part thereof, require inspection, repair or protection other than that given it by Grantor, then, and in that event, Lender may enter or cause entry to be made upon the Property and into said building or buildings for inspection, repair or protection thereof and such repair may be made by Lender and be made or done in such manner as fully to protect the interest of Lender, in the opinion of Lender, and any and all sums expended by Lender in doing or causing to be done any of the things above authorized are secured by this DEED OF TRUST and shall be paid by Grantor on demand. Except in the event of an emergency or the existence of a dangerous or hazardous conditions on the Property, such entry and repair shall be conducted during normal business hours and after written notice to Grantor, and the failure of Grantor to make the required repair within ten (10) days after such notice. Grantor shall comply with all laws, ordinances, governmental regulations, covenants, conditions and restrictions affecting the Property or requiring any alteration or improvement thereof, and permit no violation, as to the Property, of any such law, ordinance, governmental regulation, covenant, condition or restriction affecting the Property. Any alterations or improvements to the Property shall be completed in accordance with all applicable laws, pursuant to all required permits and approvals, with insurance coverage satisfactory to Lender, and without any liens attaching to the Property.



1.03 Title to Property. Grantor covenants that Grantor is lawfully seized of each and every part and parcel of the Property as described in the granting clauses hereof and has good and indefeasible title to the same; that there are no liens or encumbrances on said property except for such liens and encumbrances that are approved by Lender in writing; and Grantor forever will warrant and defend the title in the same to the Lender against the claims and demands of all persons. If during the existence of this DEED OF TRUST there be commenced or pending any suit or action affecting said property, or any part thereof, or the title thereto, or if any adverse claim for or against said property, or any part thereof, be made or asserted, Lender may appear in said suit or action and retain counsel therein and defend the same or otherwise take such action therein as Lender may deem advisable, and may settle or compromise the same or the said adverse claim, and in that behalf and for any of the said purposes, may pay and expend such sums of money as Lender may deem to be necessary.

1.04 Taxes and Assessments. Grantor shall pay, satisfy and discharge at maturity and prior to delinquency all taxes and assessments and all other charges and encumbrances which now are or hereafter shall be or appear to be a lien upon the Property, or any part thereof, or upon the debt secured hereby; and in default thereof, Lender, without demand or notice, may pay, satisfy or discharge said taxes, assessments, charges or encumbrances, and pay and expend such sums of money as Lender may deem to be necessary therefor, and shall be the sole judge of the legality or the validity of taxes, assessments, charges or encumbrances which are or may become a lien upon the Property, and the amount necessary to be paid in the satisfaction or discharge thereof.

1.05 Evidence of Payment of Taxes and Assessments. Grantor further agrees to deposit with Lender within thirty (30) days of their due date, all receipts or other satisfactory evidence of the payment of taxes, assessments, charges, claims and liens of every nature (hereinafter collectively referred to as "taxes" or "tax") affecting or which may affect the Property or any part thereof. If any default shall have occurred hereunder, Lender shall have the right to require that Grantor shall deposit with and pay to Lender, on the first day of each calendar month, a sum equivalent to one-twelfth (1/12) of the estimated annual taxes assessed or levied against the Property and all annual premiums for insurance required by this DEED OF TRUST to be furnished by Grantor, and upon the date when any such tax or insurance premiums shall become due shall pay to Lender an amount which, taken together with tax and insurance deposits theretofore made and not expended for taxes and insurance, shall be sufficient to pay and discharge such tax and insurance premiums. Lender shall not be liable for interest on any such tax and insurance deposits, except to the extent required by law, and may mingle the same with its general funds, and such deposits shall create a debtor-creditor relationship and not that of a trust. Grantor shall procure and deliver to Lender, in advance, statements for such charges. Payments from said account for such purposes may be made by Lender at Lender's discretion, even though subsequent owners of the property described herein may benefit thereby. In the event of any default under the terms of this DEED OF TRUST, any part or all of the balance of said account may be applied to any part of the indebtedness hereby secured, and, in refunding any part of said account, Lender may deal with whomever is represented to be the owner of said property at that time. The enforceability of the covenants relating



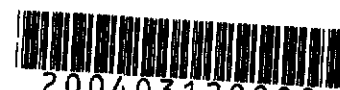
to taxes and insurance premiums provided for herein shall not be affected, except to the extent that said obligations have been actually met by compliance with this paragraph.

1.06 Insurance. Grantor at all times shall keep the buildings and improvements which are now or hereafter erected upon said property insured against loss or damage by vandalism, business interruption, malicious mischief, earthquake and fire with extended coverage (and by other hazards as reasonably may be required by Lender) for the full replacement value thereof and shall procure and maintain in force such other insurance as may be required by Lender, all in amounts approved by Lender and by an insurance company or companies or governmental agency or instrumentality approved by Lender (including, without limitation, insurance against the loss of the full rental and other charges payable by any lessee of the Property), and the policies for such insurance shall be made payable, in case of loss, to Lender pursuant to standard beneficiary's loss payable endorsement, and shall be delivered to and held by Lender as further security for payment under the Note and other moneys herein mentioned, with evidence of renewal coverage delivered to Lender at least fourteen (14) days before the expiration date of any policy; and in default thereof, Lender may procure such insurance to be effected upon Lender's interest as Lender or upon the interest of the owners of the Property and in their names; loss, if any, being made payable to Lender, and Lender may pay and expend for premiums for such insurance such moneys as Lender may deem to be necessary. All premiums and other costs expended or incurred by Lender in obtaining such insurance shall be paid to Lender by Grantor upon demand and until paid shall be deemed indebtedness and shall be secured hereby. The form of said policies shall be approved by Lender. If Grantor is a co-insurer under any policies of fire and extended coverage insurance, then Grantor covenants and agrees that, upon request of Lender at any time, it will furnish the Lender satisfactory evidence of insurable value of the improvements situated on the said property. In addition, Grantor shall procure and maintain liability insurance insuring Grantor and, if requested, Lender against liability because of personal injury or property damage in amounts and by companies approved by Lender.

1.07 Insurance and Condemnation Proceeds. Grantor covenants and agrees, from the date of this DEED OF TRUST and as long as Grantor remains indebted to Lender, to:

(a) Obtain and maintain, or cause to be maintained, in full force and effect, at its sole expense, insurance for Grantor and the Property providing at least the following coverages:

(i) Insurance with respect to the Property insuring against any peril now or hereafter included within the classification "Special Cause of Loss" (sometimes referred to as "All Risk of Physical Loss" or "Special Perils"), together with an "Ordinance and Law" endorsement, in amounts at all times sufficient to prevent Lender from becoming a co-insurer within the terms of the Policies (as defined herein) and under applicable law, but in any event such insurance shall be maintained in an amount which, after application of deductible, shall be equal to the full insurable value of the Property, the term "full insurable value" to mean the actual replacement cost of the Property (without taking into account any



depreciation, and exclusive of excavations, footings and foundations, landscaping and paving) determined annually by an insurer, a recognized independent insurance broker or an independent appraiser selected and paid by Grantor and in no event less than the coverage required pursuant to the terms of any Lease (the "Replacement Cost");

(ii) Commercial general liability insurance on the so-called "occurrence" form, including bodily injury, death and property damage liability, insurance against any and all claims, including all legal liability to the extent insurable and imposed upon Lender and all court costs and legal fees and expenses, arising out of or connected with the possession, use, leasing, operation, maintenance or condition of the Property in such amounts as are generally available at commercially reasonable premiums and are generally required by institutional lenders for properties comparable to the Property but in any event for a limit per occurrence of at least \$5,000,000 and an annual aggregate of at least \$5,000,000. This requirement may be satisfied by a layering of Commercial General Liability, Umbrella and Excess Liability Policies, but in no event will the Commercial General Liability policy be written for an amount less than \$5,000,000 per occurrence and \$5,000,000 aggregate for bodily injury and property damage liability;

(iii) Business interruption and/or loss of "rental income" insurance in an amount sufficient to avoid any co-insurance penalty and to provide proceeds which will cover a period of not less than six (6) months from the date of casualty or loss, containing an extended period of indemnity endorsement which provides that after the physical loss to the Property has been repaired, the continued loss of income will be insured until such income returns to the same level it was prior to the loss, or the expiration of six (6) months from the date of the loss, whichever first occurs, and notwithstanding that the policy may expire prior to the end of such period. The term "rental income" means, for purposes of this Section 1.07(a)(iii), an amount equal to Grantor's loan payment;

(iv) If the Property is in a flood plain, flood insurance in an amount at least equal to the greater of (A) the Replacement Cost together with business interruption coverage and (B) the maximum limit of coverage available for the Property under the National Flood Insurance Act of 1968, The Flood Disaster Protection Act of 1973 and the National Flood Insurance Reform Act of 1994, as each may be amended;

(v) At all times during which construction, repairs or alterations are being made with respect to the Property which affect the structure of the Property (A) owner's contingent or protective liability insurance covering claims not covered by or under the terms or provisions of the above mentioned commercial general liability insurance policy; and (B) the insurance provided for in Subsection 1.07(a)(i) written in a so-called builder's risk completed value form (1) on a non-reporting basis, (2) against all risks insured against pursuant to Section 1.07(a)(i), (3) including permission to occupy the Property, and (4) with an agreed amount endorsement waiving co-insurance provisions; and



(vi) Such other insurance with respect to the Property or on any replacements or substitutions or additions or increased coverage limits as may from time to time be required by Lender against other insurable hazards or casualties which at the time are commonly insured against in the case of property similarly situated, including, without limitation, sinkhole, mine subsidence, difference in conditions coverage for earthquakes, and environmental insurance, due regard being given to the height and type of buildings, their construction, location, use and occupancy.

(b) All insurance provided for in Subsection 1.07(a) shall be for a term of not less than one (1) year and obtained under valid and enforceable policies (the "Policies" or in the singular, the "Policy"), and shall be issued by one or more other domestic primary insurer(s) having a general policy rating of A- or better by A.M. Best Company, Inc. (or if a rating of A.M. Best Company, Inc. is no longer available, a similar rating from a similar or successor service). All insurers providing insurance required herein shall be authorized and admitted to issue insurance in the state in which the Property is located. The Policy referred to in Subsection 1.07(a)(ii) above shall name Lender as an additional insured and the Policies referred to in Subsection 1.07(a)(i), (iii), (iv) and (v), and as applicable (vi), above shall provide in that all proceeds be payable to Lender. The Policies referred to in Sections 1.07(a)(i), (iv) and (v) shall also contain: (i) a standard "non-contributory beneficiary" endorsement or its equivalent relating, *inter alia*, to recovery by Lender notwithstanding the negligent or willful acts or omission of Grantor; (ii) to the extent available at commercially reasonable rates, a waiver of subrogation endorsement as to Lender; and (iii) an endorsement providing for a deductible per loss of an amount not more than that which is customarily maintained by prudent owners of similar properties in the general vicinity of the Property. All Policies shall contain (i) a provision that such Policies shall not be denied renewal, materially changed (other than to increase the coverage provided), cancelled or terminated, nor shall they expire, without at least thirty (30) days' prior written notice to Lender in each instance; and (ii) include effective waivers by the insurer of all claims for applicable premiums ("Insurance Premiums") against any beneficiary, loss payees, additional insureds and named insureds (other than Grantor). Evidence of insurance with respect to all renewal and replacement Policies shall be delivered to Lender not less than twenty (20) days prior to the expiration date of any of the Policies required to be maintained hereunder which evidence shall bear notations evidencing payment of Insurance Premiums. Originals or evidence of such replacement Policies shall be delivered to Lender promptly after Grantor's receipt thereof but in any case within thirty (30) days after the effective date thereof. If Grantor fails to maintain and deliver to Lender the original Policies or evidence of insurance required herein, Lender may procure such insurance at Grantor's sole cost and expense.

(c) Grantor shall comply with all insurance requirements and shall not bring or keep or permit to be brought or kept any article upon any of the Property or cause or permit any condition to exist thereon which would be prohibited by an insurance requirement, or would invalidate the insurance coverage required hereunder to be maintained by Grantor on or with respect to any part of the Property pursuant to this Section 1.07 and shall not purchase any additional amounts of insurance that would cause Lender to become a co-insurer within the terms of the Policies.



(d) Unless Lender requires Grantor to obtain a separate Policy or Policies under Section 1.07(a), the insurance coverage required may be effected under a blanket Policy or Policies covering the Property; provided that any such blanket Policy shall specify, except in the case of commercial general liability insurance, the premises address of each building, the portion of the total coverage of such Policy that is allocated to the Property, and any sublimit in such blanket Policy applicable to the Property, and shall in any case provide the same protection as would a separate policy insuring only the Property and otherwise comply with all other respects with the requirements of this Section 1.07.

(e) In the event of a foreclosure of the DEED OF TRUST or other transfer of title to the Property in extinguishment in whole or in part of the Indebtedness, all right, title and interest of Grantor in and to the Policies then in force concerning the Property and all proceeds payable thereunder shall thereupon vest in Lender or the purchaser at such foreclosure or other transferee in the event of such other transfer of title.

1.08 Performance of Other Obligations. Grantor promises and agrees to perform all of the Obligations, including, without limitation, the obligations in and under the Note, and any other documents given now or hereafter as security for the Indebtedness secured by this DEED OF TRUST.

1.09 Restrictions on Transfer or Further Encumbrance. Grantor shall not (a) execute or deliver any pledge, security agreement, mortgage, deed of trust, or other instrument of hypothecation, covering all or any portion of the Property or any interest therein; or (b) sell, contract to sell, lease with option to purchase, convey, alienate, transfer or otherwise dispose of all or any portion of the Property or any interest therein, whether voluntarily or involuntarily, by operation of law or otherwise. Written notice of any such permitted transfers shall be provided to Lender.

1.10 Performance of Dealership Obligations by Lessee. Grantor acknowledges and agrees that the performance of its lessee as a franchised automobile dealer is integral to Lender's making the loan secured hereby. Grantor further acknowledges and agrees that the failure of its lessee to be in good standing under its lease of the Property, or under each of its dealership or franchise agreements shall constitute a default hereunder.

1.11 Environmental Compliance. Grantor shall keep and maintain the Property in compliance with, and shall not cause or permit the Property to be in violation of any federal, state or local laws, ordinances or regulations relating to industrial hygiene or to the environmental conditions on, under, above or about the Property including, but not limited to, soil, air, surface water and ground water conditions. Grantor shall not use, generate, manufacture, store or dispose of on, under, above or about the Property or transport to or from the Property any flammable explosives, radioactive materials, hazardous wastes, toxic substances or related materials, including, without limitation, any substances defined as or included in the definition of "hazardous substances, hazardous wastes, hazardous materials or toxic substances" under any applicable existing or future federal or state laws or regulations (collectively referred to hereinafter as "Hazardous Materials"), except only those materials and



substances which are usually and customarily used in the operation of an automobile dealership with automotive repair and service facilities so long as the amount and intensity of such materials and substances which are used or stored upon the Property shall not exceed the amount and intensity reasonably required for the operation of such business in its normal and ordinary course.

Grantor shall immediately advise Lender in writing of (i) the occurrence of any release, spill or other discharge of any Hazardous Materials on, under or above the Property, (ii) any and all enforcement, cleanup, removal or other governmental or regulatory actions instituted, completed or threatened pursuant to any applicable existing or future federal, state or local laws, ordinances, or regulations relating to any Hazardous Materials affecting the Property ("Hazardous Materials Laws"); (iii) all claims made or threatened by any third party against Grantor or the Property relating to damage, contribution, cost recovery compensation, loss or injury resulting from any Hazardous Materials (the matters set forth in clauses (ii) and (iii) above are hereinafter referred to as "Hazardous Materials Claims"); and (iv) Grantor's discovery of any occurrence or condition on any real property adjoining or in the vicinity of the Property, or to be otherwise subject to any restrictions on the ownership, occupancy, transferability or use of the Property under any Hazardous Materials Laws.

Lender shall have the right to join and participate in, as a party, if it so elects, any legal proceedings or actions initiated in connection with any Hazardous Materials Claims and to have its reasonable attorneys' fees in connection therewith paid by Grantor. Grantor shall be solely responsible for, and shall indemnify and hold harmless Lender, its directors, officers, employees, agents, successors and assigns from and against any loss, damage, cost, expense or liability directly or indirectly arising out of or attributable to the use, generation, storage, release, threatened release, discharge, disposal, or presence of Hazardous Materials on, under or about the Property, including, without limitation: (a) all foreseeable consequential damages; (b) the costs of any required or necessary repair, cleanup or detoxification of the Property, and the preparation and implementation of any closure, remedial or other required plans; and (c) all reasonable costs and expenses incurred by Lender in connection with clauses (a) and (b) including, but not limited to, reasonable attorneys' fees.

Without prior written notice to Lender, Grantor shall not take any remedial action in response to the presence of any Hazardous Materials on, under, above or about the Property, nor enter into any settlement agreement, consent decree, or other compromise in respect to any Hazardous Material Claims; provided, however, that notice shall not be necessary in the event that the presence of Hazardous Materials on, under, above or about the Property either poses an immediate threat to the health, safety or welfare of any individual or is of such a nature that an immediate remedial response is necessary and it is not possible to provide notice to Lender before taking such action, provided that in such event Grantor shall notify Lender as soon as practicable of any action so taken.

Grantor hereby warrants and represents that Grantor has never: occupied or operated a site or vessel on which any hazardous material or oil was stored or transported without compliance with all statutes, regulations, ordinances, directives, and



orders of every federal, state, municipal and other governmental authority which has or claims jurisdiction relative thereto; disposed of, transported, or arranged for the transport of any hazardous material or oil without compliance with all such statutes, regulations, ordinances, directives, and orders; released or been responsible for any release or threat of release of any hazardous material or oil; received notification of any potential or known release or threat of release of any hazardous material or oil from any site or vessel occupied or operated by the Grantor or of the incurrence of any expense or loss in connection with the assessment, containment, or removal of any release or threat of release of any hazardous material or oil from any such site or vessel.

The Grantor covenants that it shall: not dispose of any hazardous material or oil on any site or vessel occupied or operated by the Grantor; nor store on any site or vessel occupied or operated by the Grantor, nor transport or arrange for the transport of any hazardous material or oil except if such storage or transport is in the ordinary course of the Grantor's business and is in compliance with all such statutes, regulations, ordinances, directives and orders; and take all such action including, without limitation, the conducting of engineering tests to determine whether or not hazardous material or oil is or ever was disposed of on any site or vessel occupied or operated by the Grantor.

Grantor covenants that it shall provide the Lender with written notice: (i) of the intended storage or transport of any hazardous material or oil by the Grantor, except only those materials and substances which are usually and customarily used in the lawful operation of an automobile dealership and automobile service and repair shop and auto body shop; (ii) immediately upon the Grantor's obtaining knowledge or notice of any potential or known release or threat of release of any hazardous material or oil at or from any site or vessel occupied or operated by the Grantor; and (iii) immediately upon the Grantor's obtaining knowledge of any incurrence of any expense or loss by any governmental authority in connection with the assessment, containment, or removal of any hazardous material or oil for which expense or loss the Grantor may be liable.

Grantor covenants that Grantor shall act immediately to contain or remove any oil or hazardous material found on the Property in full compliance with all applicable statutes; and shall obtain a satisfaction of any notice of violation ("NOV") issued by any agency or department of the State of Washington with respect to the Property within 60 days of such issuance. It shall be a breach of condition, hereunder, if Grantor fails to obtain a satisfaction of any NOV within 60 days after issuance thereof, or if any claim is filed against the Property.

1.12 Indemnification. Grantor hereby agrees to indemnify Lender and hold Lender harmless from and against any and all claims, losses, damages, liabilities, fines, penalties, charges, administrative and judicial proceedings and orders, judgments, remedial action requirements, enforcement actions of any kind, and all costs and expenses incurred in connection therewith (including, but not limited to, attorneys' fees and expenses) arising directly or indirectly, in whole or in part, out of (i) the presence on, under or above the Property (or in any groundwater beneath the Property) of any Hazardous Materials as defined in Paragraph 1.11), or any releases or discharges of any Hazardous Materials on, under, above or from the Property, or (ii) any activity carried on or undertaken on or off the Property, whether prior to or during the period



during which any indebtedness under the Note is outstanding and whether by Grantor or any predecessor in title or any employees, agents, contractors or subcontractors of Grantor or any predecessor in title, or any third persons at any time occupying or present on the Property, in connection with the handling, treatment, removal, storage, decontamination, clean-up, transport or disposal of any Hazardous Materials (as defined in Paragraph 1.11) at any time located or present on or under the Property. The foregoing indemnity shall further apply to any residual contamination on or under the Property, or affecting any natural resources, and to any contamination of any property or natural resources arising in connection with the generation, use, handling, storage, transport or disposal of any such Hazardous Materials, and irrespective of whether any of such activities were or will be undertaken in accordance with applicable laws, regulations, codes and ordinances. The provisions of this Section shall survive the discharge of this DEED OF TRUST, or the foreclosure thereof or the exercise of the Lender's power of sale hereunder, as the case may be.

ARTICLE II ASSIGNMENT OF RENTS, ISSUES AND PROFITS

2.00 Assignments of Rents. Grantor hereby assigns to Lender the rents, issues, profits, royalties, payments payable under any lease of the Property, or portion thereof including any oil, gas or mineral lease, and any installments of money payable pursuant to any agreement or any sale of said property or any part thereof, reserving unto Grantor the right prior to default by Grantor in payment of the Indebtedness secured hereby or in the performance of any agreement hereunder, to collect and retain such rents, issues, profits, royalties, payments and installments of money as they may become due and payable, but not more than thirty (30) days in advance of their respective due dates. This assignment is recorded in accordance with RCW 65.08.707; the lien created by this assignment is intended to be specific, perfected and choate upon the recording of this DEED OF TRUST. Upon any such default, Lender, without regard to the adequacy of any security for the Indebtedness hereby secured, shall be entitled to (1) collect such rents, issues, profits, royalties, payments and installments of money and apply the same as more particularly set forth in this Paragraph, all without taking possession of the Property, or (2) enter and take possession of the Property or any part thereof, in person, by agent, or by a receiver to be appointed by the court and to sue for or otherwise collect such rents, issues, profits, royalties, payments and installments of money. Lender may apply any such rents, issues, profits, royalties, payments and installments of money so collected, less costs and expenses of operation and collection, including reasonable attorneys' fees, upon any indebtedness secured hereby, in such order as Lender may determine, and, if such costs and expenses and attorneys' fees shall exceed the amount collected, the excess shall be immediately due and payable. The collection of such rents, issues, profits, royalties, payments and installments of money and the application thereof as aforesaid shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice, except to the extent any such default fully is cured. Failure or discontinuance of Lender at any time, or from time to time, to collect any such moneys shall not impair in any manner the subsequent enforcement by Lender of the right, power and authority herein conferred on Lender. Nothing contained herein, including the exercise of any



right, power or authority herein granted to Lender, shall be, or be construed to be, an affirmation by Lender of any tenancy, lease or option, or an assumption of liability under, or the subordination of the lien or charge of this DEED OF TRUST to any such tenancy, lease or option. Grantor hereby agrees that, in the event Lender exercises its rights as provided in this Paragraph, Grantor waives any right to compensation for the use of Grantor's furniture, furnishings or equipment in the Property for the period such assignment of rents or receivership is in effect, it being understood that the rents, issues, profits, royalties, payments and installments of money derived from the use of any such items shall be applied to Grantor's obligation hereunder as provided above. In the event that Grantor concurrently herewith or hereafter executes any separate assignment of rents or of leases to Lender, then to the extent of any inconsistency between the provisions hereof and any such assignment, the provisions of such assignment shall control and govern.

2.01 Performance of Leases. Grantor promises and agrees to keep, perform and observe all of the lessor's covenants, agreements and obligations, under the terms of all leases now or hereafter executed relating to all or any portion of the Property, to require that lessees under said leases keep, perform, and observe all of the covenants, agreements and obligations thereunder on their part to be kept, performed and observed; not to alter, amend or modify such leases or any of them without the prior written consent of Lender; and upon default by Grantor in the performance thereof, Lender herein, without incurring any obligations so to do or releasing Grantor from any obligation herein secured, may perform said covenants, obligations, or agreements, or exercise any right or remedy which Grantor may have either at law or in equity or under said leases or any of them to require lessees to perform such covenants, obligations or agreements, and all reasonable amounts expended or incurred, including, but not limited to, costs, expenses and attorneys' fees, by said Lender in so doing shall be due and payable immediately from Grantor.

**ARTICLE III
SECURITY AGREEMENT AND FIXTURE FILING**

3.00 Creation of Security Interest. This DEED OF TRUST is deemed a Security Agreement as defined in the Washington Uniform Commercial Code, the Grantor being the "Debtor" and the Lender being the "Secured Party", and the remedies for any violation of the covenants, terms and conditions of the agreements herein contained shall be as prescribed (i) herein, or (ii) by general law, or (iii) as to such part of the security which is also reflected in the financing statement which will be filed to perfect the security interest created herein, by the specific statutory consequences now, or hereafter enacted and specified in the Washington Uniform Commercial Code, all at Lender's sole election. Grantor and Lender agree that the filing of a financing statement in the records normally having to do with personal property shall never be construed as in any way derogating from or impairing this declaration and the hereby-stated intention of the parties hereto that everything used in connection with the operation or occupancy



of the Property to the extent of Grantor's interest therein, is and, at all times and for all purposes and in all proceedings, both legal and equitable, shall be regarded as real property, irrespective of whether (1) any such item is physically attached to the buildings and improvements, (2) serial numbers are used for the better identification of certain equipment items capable of being filed by the Lender, or (3) any such item is referred to or reflected in any such financing statement so filed at any time. Such mention in the financing statement is declared to be for the protection of the Lender in the event any court or judge shall at any time hold that notice of Lender's priority of interest must be filed in the Washington Uniform Commercial Code records to be effective against a particular class of persons, including, but not limited to, the federal government and any subdivision or entity of the federal government. Grantor covenants and agrees to reimburse Lender promptly for any costs incurred in filing such financing statement and any continuation statements.

3.01 Fixture Filing. Portions of the Property are goods which are or are to become fixtures relating to the land, buildings and improvements, and Grantor covenants and agrees that the recording of this DEED OF TRUST in the real estate records of the County where the land is located shall also operate from the time of recording as a Fixture Filing in accordance with the Washington Uniform Commercial Code.

**ARTICLE IV
DEFAULTS AND REMEDIES**

4.00 Events of Default. An "Event of Default" shall be deemed to have taken place within the meaning of this DEED OF TRUST if:

- (a) Default shall be made in making any payment, when due and within any applicable grace period, under the Note or on account of any other indebtedness of Grantor to Lender or to any other financial institution;
- (b) Default shall be made in the performance or observance of any covenant or agreement of Grantor herein contained;
- (c) Any representation, warranty, certification, or material information made or furnished to Lender by or behalf of Grantor is incomplete, inaccurate or misleading in any material respect when made or furnished;
- (d) Subject to any applicable grace and notice and cure period specifically set forth in the applicable Loan Document, a default or event of default shall be made or shall have occurred in the performance or observance of any representation, warranty, covenant, condition or agreement on the part of Grantor to be kept or performed under any of the Loan Documents or under any other contract, agreement, note, mortgage, pledge agreement, guaranty or any other instrument or document now or hereafter executed and delivered by Grantor to evidence, to secure, or in connection with, any indebtedness of Grantor to Lender (including, without limitation, the Note) or to any other financial institution;



(e) Grantor shall abandon all or any part of the Property or shall sell, lease, convey or transfer (or contract to sell, lease, convey or transfer) all or any part of the Property, any interest of Grantor in the Property or any interest in Grantor without first obtaining Lender's written consent therefor;

(f) Grantor shall assign all or any part of the rents, issues or profits of the Property other than to Lender without first obtaining Lender's written consent or, by the cancellation, surrender or modification of any existing lease (or in any other manner) the security for the payment of the indebtedness hereby secured shall be in any manner impaired and in any and every such case Lender may proceed forthwith to enforce the same as hereinafter set forth, subject to and in accordance with the terms of the Note;

(g) The Property or any material part thereof is damaged or destroyed by fire or other casualty and the loss is not adequately covered by insurance actually collected or in the process of collection and the Grantor fails to deposit or cause to be deposited with Lender within twenty (20) days of the Lender's written request therefor, the amounts required to satisfy the Grantor's obligations pursuant to the DEED OF TRUST;

(h) The Grantor enters into any secondary or additional financing agreements or arrangements (other than financing not secured by any part of or interest in the Property and not otherwise in violation of Grantor's obligations under the Note) of any kind whatsoever with respect to the Property;

(i) The Property or any portion thereof is sold, conveyed, transferred, assigned or disposed of, or the Property is rezoned, either voluntarily or involuntarily, or an agreement for any of the foregoing is entered into, without the prior written consent of the Lender;

(j) The filing by or against the Grantor or any Guarantor of a request or petition for liquidation, reorganization, arrangement, adjustment of debts, adjudication as a bankrupt, relied as a debtor or other relief under the bankruptcy, insolvency or similar laws of the United States or any state or territory thereof or of any foreign jurisdiction, now or hereafter in effect; the making of any general assignment by Grantor or any Guarantor for the benefit of creditors; the appointment of a receiver or trustee for Grantor or any Guarantor or for any assets of Grantor or any Guarantor, including, without limitation, the appointment of or taking possession by a "custodian" as defined in the Federal Bankruptcy Code; the institution by or against Grantor or any Guarantor of any other type of insolvency proceeding (under the Federal Bankruptcy Code or otherwise) or of any formal or informal proceeding for the dissolution of the liquidation of, settlement of claims against, or winding up of the affairs of Grantor or any Guarantor; the sale, assignment, transfer or delivery of all or substantially all of the assets of Grantor or any Guarantor; the cessation of Grantor as a going business concern; the entry of judgment against Grantor or any Guarantor, other than a judgment for which Grantor or such Guarantor is adequately insured, if within ninety (90) days thereafter such judgment is not satisfied, vacated, bonded or stayed pending appeal, except in the case of an involuntary bankruptcy proceeding, in which case the period shall be one hundred eighty (180) days; if Grantor or any Guarantor are generally not paying their



respective debts as such debts become due; or the death or declaration of incompetency by a judicial or administrative body of any Guarantor;

(k) The institution of a foreclosure action against the Property or any part thereof, or the filing of a lien against the Property or any part thereof, which is not removed of record, bonded off, or dismissed within thirty (30) days of the institution or filing thereof;

(l) Without the prior written consent of Lender, Grantor grants any easement (other than easements and dedications required by the City, County or any utility supplier in connection with the Property) or files any plat, condominium declaration, or restriction, or otherwise encumbers the Property, or seeks or permits any zoning reclassification or variance affecting the Property, unless such action is expressly permitted by the Loan Documents;

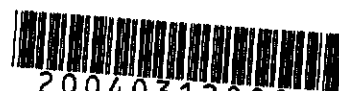
(m) The (i) liquidation, termination, dissolution, death, merger or consolidation of the Grantor, (ii) failure of Grantor to maintain good standing as a limited liability company qualified to do business in the state of Washington, or (iii) death, incapacity or incompetency or dissolution, merger or consolidation of any Guarantor;

(n) Any Loan Document shall for any reason without Lender's specific written consent cease to be in full force and effect, or shall be declared null and void or unenforceable in whole or in part, or the validity or enforceability thereof, in whole or in part, shall be challenged or denied by any party thereto other than Lender; or the liens, mortgages or security interests of Lender in any of the Property become unenforceable in whole or in part, or cease to be of the priority herein required, or the validity or enforceability thereof, in whole or in part, shall be challenged or denied by Grantor or any Guarantor;

(o) Except as hereinafter provided, the sale conveyance, transfer, encumbrance, hypothecation, pledging, or other disposition (collectively "Transfer"), voluntarily or involuntarily, by operation of law or otherwise, and whether by one or more transfers, of any of the equity interests in Grantor (or of (i) the interest of any general partner of any partnership, or (ii) any (A) voting stock of any corporation or (B) membership interests in any limited liability company, in each case, directly or indirectly owning or controlling any beneficial interest in Grantor). Further, the issuance of new equity interests in Grantor or any such person shall also be deemed to be a Transfer of interest in the Grantor for the purposes hereof.

4.01 Possession. Upon the occurrence of an Event of Default, Lender shall have the right, but not the obligation, to take possession of the Premises, rent the same and collect all rents due on the Premises, and after deducting Lender's reasonable charges therefor, apply the proceeds to the payment of the Note and liabilities created by any of the agreements above recited, and may so continue to do until full payment and performance shall have been thus effected.

4.02 Foreclosure. Upon the occurrence of an Event of Default, foreclosure proceedings may be instituted, at the option of Trustee. With respect to all or any part of the Property, the Trustee shall have the right to exercise its power of sale and to



foreclose by notice and sale, and Lender shall have the right to foreclose by judicial foreclosure, in either case in accordance with and to the full extent provided by applicable law. In any such action, Lender shall be entitled, without notice and without regard to the adequacy of the security of the debt, to the appointment of a receiver of the rents, issues and profits of the Property. If, in contemplation of legal proceedings, by reason of any default hereunder, Lender shall incur any cost or expense for title examination, Lender shall have an immediate claim against Grantor therefor together with a lien on the Property for the cost and expense thereof. In case of foreclosure, the Property may be offered for sale in one or more parcels at the election of Lender.

4.03 Receiver. Upon or at any time after the filing of a complaint to foreclose the Security Instruments, the court in which such complaint is filed shall, upon application of Lender, appoint a receiver of the Property. Such appointment may be made either before or after sale, without regard to the solvency or insolvency of Borrower at the time of application for such receiver and without regard to the then value of the Property or whether the same shall be then occupied as a homestead or not and Lender or any holder of the Note may be appointed as such receiver. Such receiver shall have power to collect the rents, issues and profits of the Property during the pendency of such foreclosure suit and during the full statutory period of redemption, if any, whether there will be redemption or not, as well as during any further times when Borrower, except for the intervention of such receiver, might be entitled to collect such rents, issues and profits, and all other powers which may be necessary or are usual in such cases for the protection, possession, control, management and operation of the Property during the whole of said period. The court from time to time shall authorize the receiver to apply the net income in his hands in payment in whole or in part of: (a) all sums due and owing under the Note, or by any decree foreclosing the Security Instruments, or any tax, special assessment or other lien which may be or become superior to the lien of the Security Instruments or of such decree, provided such application is made prior to foreclosure sale; and (b) the deficiency in case of a sale and deficiency. Borrower consents to the appointment of a receiver of the Property; or

4.04 Remedies Not Exclusive. No remedy herein conferred upon or reserved to Lender is intended to be exclusive of any other remedy herein, or by law provided or permitted, but each shall be distinct and cumulative and shall be in addition to every other remedy given hereunder, under the Loan Documents, or now or hereafter existing at law or in equity or by statute. Every power, right or remedy given by this DEED OF TRUST or by the Loan Documents to Lender or to which Lender may be otherwise entitled, may be exercised, concurrently or independently, from time to time and as often as may be deemed expedient by Lender.

4.05 Partial or Late Payment. The acceptance by Lender of any sum after the same is due shall not constitute a waiver of the right either to require prompt payment, when due, of all other sums secured hereby or to declare a default as herein provided and in either event to assess a late charge or penalty. The acceptance by Lender of any sum in an amount less than the sum then due shall be deemed an acceptance on account only and upon the condition that it shall not constitute a waiver of the obligation of Grantor to pay the entire sum then due, and Grantor's failure to pay said entire sum then due shall be and continue to be a default notwithstanding such acceptance of such



amount on account as aforesaid, and Lender shall be at all times thereafter and until the entire sum then due shall have been paid, and notwithstanding the acceptance by Lender thereafter of further sums on account, or otherwise, entitled to exercise all rights in this DEED OF TRUST or the other Loan Documents confirmed upon Lender upon the occurrence of a default.

4.06 Failure or Indulgence Not Waiver. No failure or delay on the part of Lender in the exercise of any power, right or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other power, right or privilege.

4.07 Cure of Non-Monetary Default. If Grantor defaults in the performance of any of its non-monetary covenants, agreements or obligations hereunder, Grantor shall have a period of fifteen (15) days from the date Grantor receives written notice of such default to cure such default, provided, however, that if such default is reasonably susceptible of cure, but cannot be cured within such fifteen (15) day period, then so long as Grantor promptly commences cure and thereafter diligently pursues such to completion, the cure period shall be extended for an additional fifteen (15) days, within which Grantor may complete such cure. The foregoing provision shall not apply to Grantor's failure to pay principal or interest under the Note or any other obligation to pay money at a fixed or specified time.

ARTICLE V POWERS AND OBLIGATIONS OF TRUSTEE

The following provisions relating to the powers and obligations of Trustee (pursuant to Lender's instructions) are part of this Deed of Trust.

5.00 Powers of Trustee. In addition to all powers of Trustee arising as a matter of law, Trustee shall have the power to take the following actions with respect to the Property upon the written request of Lender and Grantor; (a) join in preparing and filing a map or plat of the Real Property, including the dedication of streets or other rights to the public; (b) join in granting any easement or creating any restriction on the Real Property; and (c) join in any subordination or other agreement affecting this Deed of Trust or the interest of Lender under this Deed of Trust.

5.01 Obligations to Notify. Trustee shall not be obligated to notify any other party of a pending sale under any other trust deed or lien, or of any action or proceeding in which Grantor, Lender, or Trustee shall be a party, unless required by applicable law, or unless the action or proceeding is brought by Trustee.

5.02 Trustee. Trustee shall meet all qualifications required for trustee under applicable law. In addition to the rights and remedies set forth above with respect to all or any part of the Property, the Trustee shall have the right to foreclose by notice



and sale, and Lender shall have the right to foreclose by judicial foreclosure, in either case in accordance with and to the full extent provided by applicable law.

5.03 Successor Trustee. Lender, at Lender's option, may from time to time appoint a successor Trustee to any Trustee appointed hereunder by an instrument executed and acknowledged by Lender and recorded in the office of the recorder of Skagit County, Washington. The instrument shall contain, in addition to all other matters required by state law, the name of the original Lender, Trustee, and Grantor, the book and page or the Auditor's File Number where this Deed of Trust is recorded, and the name and address of the successor trustee, and the instrument shall be executed and acknowledged by Lender or its successors in interest. The successor trustee, without conveyance of the Property, shall succeed to all the title, power, and duties conferred upon the Trustee in this Deed of Trust and by applicable law. This procedure for substitution of trustee shall govern to the exclusion of all other provisions for substitution.

ARTICLE VI MISCELLANEOUS

6.00 Governing Law. This DEED OF TRUST shall be governed by the laws of the State of Washington. In the event that any provision or clause of this DEED OF TRUST conflicts with applicable laws, such conflicts shall not affect other provisions of this DEED OF TRUST which can be given effect without the conflicting provision, and to this end the provisions of this DEED OF TRUST are declared to be several. This instrument cannot be waived, changed, discharged or terminated orally, but only by an instrument in writing by the party against whom enforcement of any waiver, change, discharge or termination is sought.

6.01 Statements by Grantor. Grantor, within five (5) days upon request in person or within seven (7) days upon request by mail, shall furnish a duly acknowledged written statement setting forth the amount of the debt secured by this DEED OF TRUST and stating either that no offsets or defenses exist against the debt or, if such offsets or defenses are alleged to exist, the nature thereof.

6.02 Change in Taxation Method. In the event of the passage after the date of this DEED OF TRUST of any law of the State of Washington, with the exception of any newly adopted or change to existing state corporate excise tax, deducting from the value of land, for the purpose of taxation, any lien thereon, or changing in any way the laws now in force for the taxation of deeds of trust or debts secured by deeds of trust for state or local purposes or the manner of the collection of such taxes so as to cause the assessment of a tax on Lender or a lien or charge on this DEED OF TRUST, the entire amount due under said Note, at the option of said Lender, without demand or notice, forthwith shall become due and payable; provided, however, that such option shall be ineffective if Grantor is permitted by law to pay the whole of such tax, in addition to all other payments required hereunder and, if prior to such specified date, Grantor does pay such tax and agrees to pay any such tax when hereafter levied or assessed against



the Property, and such agreement shall constitute a modification of this DEED OF TRUST.

6.03 No Estoppel. Any failure of Lender to exercise any right or option by this DEED OF TRUST given or preserved to Lender shall not stop Lender from exercising any such right or option upon any subsequent default of Grantor.

6.04 Further Assurances. Grantor, forthwith upon request, at any and all times hereafter, at the expense of Grantor, will cause to be made, executed, acknowledged and delivered to Lender, any and every deed or assurance in law which Lender or counsel of Lender shall advise or require for the more sure, effectual and satisfactory granting and confirming of the Property unto Lender.

6.05 Successors and Assigns. This DEED OF TRUST applies to, inures to the benefit of, and binds all parties hereto, their successors and assigns.

6.06 Ownership. The Grantor covenants that in the event the ownership of the Property or any part thereof becomes vested in any other person than the Grantor, with or without consent, the Lender may, without notice to the Grantor, deal with such successor or successors in interest with reference to this DEED OF TRUST and the Obligations secured hereby in the same manner as with the Grantor, without in any way affecting or discharging the Grantor's liability hereunder or the Obligations hereby secured; and no forbearance on the part of the Lender and no extensions of the time for the payment, the performance of any of the Obligations of the Grantor as set forth herein or other indulgences shall operate to release, discharge, modify, change or affect the liability of the Grantor herein, either in whole or in part.

6.07 Foreclosure Proceeds. In the event of redemption after foreclosure proceedings have been commenced, the Lender shall be entitled to collect all costs, charges and expenses, including reasonable attorney's fees, incurred up to the time of redemption. In case of foreclosure sale the Lender shall be entitled to retain out of the monies arising from such sale all sums then secured by this DEED OF TRUST, whether then or thereafter payable, including all costs, charges, or expenses, including reasonable attorney's fees, incurred or sustained by the Lender by reason of any default in the performance or observance of any condition of this DEED OF TRUST, and the Lender shall further be entitled to retain as compensation one percent (1%) of the purchase money.

6.08 Waiver of Homestead and Redemption. Borrower releases and waives all rights under the homestead and exemption laws of the State of Washington. Borrower acknowledges that the Property does not include "agricultural real estate" or "residential real estate". Borrower waives any and all rights of redemption from sale under any order of foreclosure of this DEED OF TRUST or other rights of redemption which may run to Borrower. Borrower waives all rights of reinstatement to the fullest extent permitted by Washington law.

6.09 Construction. This DEED OF TRUST shall be construed so that, wherever applicable and with reference to any of the parties hereto, the use of the



singular number shall include the plural number, the use of the plural number shall include the singular number, the use of one gender shall include the neuter, masculine and feminine gender. The Obligations of Grantor hereunder, if more than one, shall be joint and several.

If any provision of this DEED OF TRUST or portion of such provision or the application thereof to any person or circumstance shall to any extent be held invalid or unenforceable, the remainder of this DEED OF TRUST (or the remainder of such provision) and the application thereof to other persons or circumstances shall not be affected thereby.



To: Land Title Company of Skagit County, Trustee

The undersigned is the legal owner and holder of all indebtedness by this Deed of Trust. You are hereby requested, upon payment of all sums owing to you, to reconvey without warranty, to the persons entitled thereto, the right, title and interest now held by you under the Deed of Trust.

Date: March 8, 2004

Beneficiary: VW Credit, Inc.

By: Paul Hargrave-Thomas

Its: Manager, National Sales



EXHIBIT A

PARCEL "A":

Lot 1 of that certain Binding Site Plan for John Bouslog, approved March 13, 1997, recorded March 13, 1997, in Volume 12 of Short Plats, pages 188 and 189, under Auditor's File No. 9703130010, records of Skagit County, Washington; being a portion of the Southwest 1/4 of the Northeast 1/4 and the Southeast 1/4 of the Northwest 1/4 of Section 7, Township 34 North, Range 4 East, W.M.

Situate in the County of Skagit, State of Washington.

T&S VENTURES, LLC,
a Washington limited liability company

By: 
Timothy D. Hanson
Its: Co-Managing Member

AND

By: 
Robert J. Campbell
Its: Co-Managing Member



20040312009
Skagit County Auditor

EXHIBIT B

1. All machinery, equipment, materials (including building materials), appliances, and fixtures now or hereafter installed or placed on or in said land or buildings and improvements for the generation and distribution of air, water, heat, electricity, light, fuel or refrigeration or for ventilating or air conditioning purposes or for sanitary or drainage purposes or for the exclusion of vermin or insects or the removal of dust, refuse or garbage, and all elevators, awnings, window shades, drapery rods and brackets, screens, floor coverings, incinerators, carpeting and all furniture, fixtures, and other property used in the operation or occupancy of said land or buildings and improvements, together with all additions to, substitutions for, changes in or replacements of the whole or any part of any or all of said articles of property, and together with all property of the same character that Grantor may hereafter acquire at any time until the termination of this DEED OF TRUST and all proceeds received upon the sale, exchange, collection or other disposition of the foregoing

2. All intangible property and rights relating to that land or the operation thereof, or used in connection therewith, including but not limited to all governmental permits relating to construction on said land

3. All reserves, deferred payments, deposits, refunds, cost savings and payments of any kind relating to the construction of any improvements on said land

4. All causes of action, claims, compensation and recoveries for any damages, condemnation or taking of said property, or for any conveyance in lieu thereof, whether direct or consequential, or for any damage or injury to said property, or for any loss or diminution in value of said property

5. All plans and specifications prepared for construction of buildings and improvements on said land and all studies, data and drawings related thereto; and also all contracts and agreements of the Grantor relating to the aforesaid plans and specifications or to the aforesaid studies, data and drawings or to the construction of buildings and improvements on said land

6. All monies on deposit for the payment of real estate taxes or special assessments against said property or for the payment of premiums on policies of fire and other hazard insurance covering the property described herein or said land



UNOFFICIAL DOCUMENT

