

AFTER RECORDING MAIL TO:  
Henson-Chenoweth Properties LP  
17543 South Skyridge Drive  
Mount Vernon, WA 98274



200505200126  
Skagit County Auditor

Reference No.:

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Filed for Record at Request of:  
First American Title Of Skagit County  
Escrow Number: B83760

FIRST AMERICAN TITLE CO.

**DEED OF TRUST**

B83760 - 2

(For use in the State of Washington only)

Grantor(s): Seas Holding, LLC as Facilitator for State Street, LP  
Beneficiary: Henson-Chenoweth Properties LP  
Trustee: First American Title Of Skagit County  
Abbreviated Legal:  
Section 29, Township 34, Range 4; ptn. SW ¼

Assessor's Tax Parcel Number(s): P28641, P28170, 340429-3-006-0001, 340429-0-034-0003

THIS DEED OF TRUST, made this 5th day of May, 2005 between Seas Holding LLC as Facilitator for State Street, LP, GRANTOR, whose address is 3202 Commercial Avenue, Anacortes, WA 98221, First American Title Of Skagit County, TRUSTEE, whose address is 1301-B Riverside Drive, Mount Vernon, WA 98273 and Henson0Chenoweth Properties LP BENEFICIARY, whose address is 17543 South Skyridge Drive, Mount Vernon, WA 98274.

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

**PARCEL "A":**

That portion of the Northwest 1/4 of the Southwest 1/4 of Section 29, Township 34 North, Range 4 East, W.M., described as follows:

Beginning at a point on the East line of the Old State Highway 99 (Old Pacific Highway) which is 750 feet North of the South line of said subdivision; thence North along said East line to a point 20 feet South of the North line of said Northwest 1/4 of the Southwest 1/4; thence East parallel with and a distance of 20 feet South of said North line to the East line of said subdivision; thence South to the Southeast corner of said subdivision; thence West to the West line of that parcel conveyed to Drainage District No. 17 by deed recorded December 21, 1978 under Auditor's File No. 893555; thence Northerly along said West line to a point 400 feet North of the South line of said Northwest 1/4 of the Southwest 1/4; thence West to a point 871.2 feet East of the East line of said Highway; thence North 350 feet; thence West 871.2 feet to the point of beginning; EXCEPT therefrom any portion lying Easterly of the Westerly line of said parcel conveyed under Auditor's File No. 893555; AND EXCEPT that portion lying Easterly of the Westerly line of that parcel conveyed from the State of Washington to Skagit County by deed recorded July 29, 1976 under Auditor's File No. 839826; AND ALSO EXCEPT portion conveyed to Skagit County by deeds recorded July 26, 1966 under Auditor's File Nos. 685925 and 685926; AND ALSO EXCEPT therefrom the following described parcel:

Beginning at a point on the East line of the right of way of the Old Pacific Highway 200 feet North of the South line of said Northwest 1/4 of the Southwest 1/4; thence North along said highway right of way line 200 feet; thence Easterly parallel with the South line of said subdivision to a point 230 feet East of the center line of said Old Pacific Highway; thence North 50 feet; thence East parallel with the South line of said subdivision to a point 871.2 feet East of the center line of said Old Pacific Highway, which point is the true point of beginning; thence South 50 feet; thence East parallel with the South line of said Northwest 1/4 of the Southwest 1/4 24.22 feet, more or less, to the West line of the ditch right of way of Drainage District No. 17; thence Northerly following said ditch right of way line 50 feet, more or less, to a point which is East of the true point of beginning, as measured by a line drawn parallel to

the South line of said Northwest 1/4 of the Southwest 1/4; thence West along said parallel line to the true point of beginning.

**PARCEL "B":**

File That portion of the Northwest 1/4 of the Southwest 1/4 of Section 29, Township 34 North, Range 4 East, W.M., described as follows:

Beginning at a point on the East line of the Old State Highway 99 (Old Pacific Highway) which is 750 feet North of the South line of said subdivision; thence East parallel with the South line of said subdivision 871.2 feet; thence South 100 feet; thence West parallel with the South line of said subdivision 871.2 feet to said East line of the Highway; thence North along said line 100 feet to the true point of beginning; EXCEPT therefrom that parcel conveyed to Drainage District No. 17 by deed recorded December 21, 1978 under Auditor's File No. 893555.

(Said Parcels "A" and "B", also known as Parcels "A" and "B" of Survey recorded under Auditor's No. 9405310082, filed in Volume 15 of Surveys, pages 184-185, records of Skagit County)

which real property is not used principally for agricultural 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 of the property.

This Deed of Trust is for the purpose of securing performance of each agreement of Grantor(s) herein contained in this Deed of Trust, and payment of the sum of ONE MILLION FOUR HUNDRED TWENTY FIVE THOUSAND AND NO/100 Dollars (\$1,425,000.00) 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 of the note, and also such further sums as may be advanced or loaned by Beneficiary to Grantor(s), or any of the Grantor(s)' successors or assigns, together with interest thereon at the rate agreed upon.

**DUE DATE:** The entire balance of the promissory note secured by this Deed of Trust, together with any and all interest accrued thereon, shall be due and payable in full on June 1, 2006

To protect the security of this Deed of Trust, Grantor(s) covenant(s) and agree(s):

1. To keep the property in good condition and repair; to permit no waste of the property; to complete any building, structure, or improvement being built or about to be built on the property; to restore promptly any building, structure, or improvement on the property 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 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(s). The amount collected under any insurance policy may be applied upon any indebtedness secured by this Deed of Trust 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(s) 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 by this Deed of Trust and Trustee's and attorney's fees actually incurred, as provided by statute.
6. Should Grantor(s) fail to pay when due any taxes, assessments, insurance premiums, liens, encumbrances, or other charges against the property. Beneficiary may pay the same, and the amount so paid, with interest at the rate set forth in the note secured by this Deed of Trust, shall be added to and become a part of the debt secured in this Deed of Trust.



7. DUE ON SALE: The property described in this security instrument may not be sold or transferred without the Beneficiary's consent. Upon breach of this provision, Beneficiary may declare all sums due under the note and Deed of Trust immediately due and payable, unless prohibited by applicable law.

VB m All  
Grantor (Initials)

\_\_\_\_\_  
Beneficiary (Initials) JH

IT IS MUTUALLY AGREED THAT:

8. 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 by this Deed of Trust shall be paid to Beneficiary to be applied to said obligation.

9. By accepting payment of any sum secured by this Deed of Trust 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.

10. 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(s) and the Beneficiary, or upon satisfaction of the obligation secured and written request for reconveyance made by the Beneficiary or the person entitled thereto.

11. Upon default by Grantor(s) in the payment of any indebtedness secured by this Deed of Trust or in the performance of any agreement contained in this Deed of Trust, all sums secured by this Deed of Trust shall immediately become due and payable at the option of the Beneficiary, subject to any cure period provided in the note secured by this Deed of Trust. 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.

12. Trustee shall deliver to the purchaser at the sale its deed, without warranty, which shall convey to the purchaser all right, title and interest in the real and personal property which Grantor(s) had or had the power to convey at the time of the execution of this Deed of Trust, and such as Grantor(s) 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 encumbrancers for value.

13. 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.

14. In the event of the absence, death, incapacity, disability, or resignation of Trustee, or at the discretion of the Beneficiary, 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(s), Trustee, or Beneficiary shall be a party unless such action or proceeding is brought by the Trustee.

15. This Deed of Trust applies to, inures to the benefit of, and is binding not only on the parties hereto, but on his/her/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.

16. ADDITIONAL TERMS AND CONDITIONS: (check one)

a.  NONE

OR

b.  As set forth on the attached "Exhibit A" which is incorporated by this reference.

(Note: If neither a nor b is checked, then option "a" applies)

Dated: May 5, 2005



200505200126

Skagit County Auditor

MAKER:

SEAS HOLDING, LLC

By: Christa Berger

TAXPAYOR:

State Street Limited Partnership

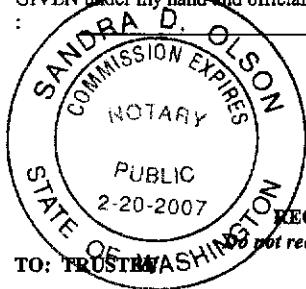
By: Daniel R. Mitzel, General Partner

By: David Allegre, General Partner

State of Washington }  
County of Skagit } SS:

I certify that I know or have satisfactory evidence that Daniel R. Mitzel and David Allegre are the persons who appeared before me, and said persons acknowledge that they signed this instrument, on oath stated that they were authorized to execute the instrument and acknowledged it as the Managing Members of State Street, LLC to be the free and voluntary act of such parties for the uses and purposes mentioned in the instrument.

GIVEN under my hand and official seal this 19th day of May, 2005



Sandra Olson  
Notary Public in and for the State of Washington  
Residing at: Burlington Wa  
My appointment expires: 2-20-07

**REQUEST FOR FULL RECONVEYANCE**

TO: TRUSTEES *Do not record. To be used only when note has been paid.*

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 \_\_\_\_\_,

\_\_\_\_\_  
\_\_\_\_\_



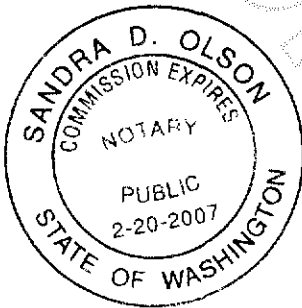
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STATE OF WASHINGTON, }  
County of Skagit } ss.


ACKNOWLEDGMENT - Corporate

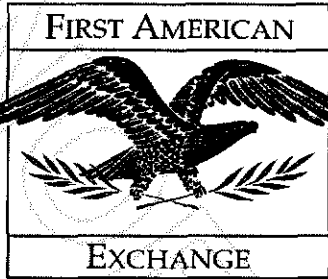
On this 19<sup>th</sup> day of May 2005, 1905, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Diana Berge and \_\_\_\_\_ to me known to be the Vice President and \_\_\_\_\_ Secretary, respectively, of Seas Holding LLC the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that she authorized to execute the said instrument and that the seal affixed (if any) is the corporate seal of said corporation.

Witness my hand and official seal hereto affixed the day and year first above written.



Sandra Olson  
Notary Public in and for the State of Washington,  
residing at \_\_\_\_\_  
My appointment expires 2-20-07

  
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**First American Exchange of Skagit County  
Formerly SEAS, Inc.**

3202 Commercial Ave., Anacortes, WA 98221  
360-336-1031 800-845-1031 360-293-7257 - Fax

**STATE STREET LIMITED PARTNERSHIP**

**Exchange Number 04-07485**

**Escrow Number B83760**

**ADDENDUM TO DEED OF TRUST**

SEAS Holding Company, LLC, a Washington Limited Liability Company, sign the Note secured by this Deed of Trust, as a principal, without personal liability under the Note and in its capacity as Facilitator for State Street Limited Partnership, a Washington Limited Partnership, also known as the Taxpayer. It does so under an Exchange Agreement to accomplish an IRC Section 1031 Tax Deferred Exchange for said Taxpayer. The Taxpayer has joined in the Note as a Surety or Guarantor of the repayment of the loan and is personally liable to the holder of the said Note secured hereby.

SEAS Holding Company LLC, a Washington Limited Liability Company

By: First American Exchange of Skagit County,  
a Washington Corporation, its sole member

By: *Diana Berge*  
Diana Berge, its Vice President

State Street Limited partnership,  
a Washington Limited Partnership

By: *Dan Mitzel*  
Dan Mitzel, Partner

By: *Dave Allegre*  
Dave Allegre, Partner



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