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KATHY HILL  
SKAGIT COUNTY RECORDER

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RECORDED \_\_\_\_\_ FILED \_\_\_\_\_  
REQUISITE \_\_\_\_\_

AFTER RECORDING RETURN TO:

9808200119

BANK OF AMERICA NT&SA d.b.a. SEAFIRST BANK  
COMMERCIAL LOAN SERVICE CENTER - WEST  
P. O. BOX 84448 (FAB 13)  
SEATTLE, WA 98124-5748

Attention:

WASHINGTON STATE COUNTY AUDITOR'S/RECORDER'S INFORMATION (RCW 65.04):

INSTRUMENT TITLES:

ISLAND TITLE CO.  
SB-13010 ✓

- 1.
- 2.
- 3.
- 4.

GRANTORS(S):

1. STANISLAW PROPERTIES LLC
- 2.
- 3.
4. ☐ ADDITIONAL NAMES ON PAGE \_\_\_\_ OF THIS DOCUMENT

GRANTEE(S): BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION, DOING  
BUSINESS AS SEAFIRST BANK

LEGAL DESCRIPTION: PARCEL A, TRACT 1, PLAT NO. 11-84 SW SE 18-35-5  
PARCEL B, TRACT 2, PLAT NO. 11-84

ABBREVIATED:

FULL LEGAL DESCRIPTION AS FURTHER DESCRIBED IN EXHIBIT "A"

ASSESSOR'S PROPERTY TAX PARCEL ACCOUNT NUMBERS(S):

1. 350518-4-029-0003
2. 350518-4-025-0007
- 3.

REFERENCE NUMBER OF DOCUMENTS ASSIGNED OR RELEASED:

- 1.
- 2.
3. ☐ ADDITIONAL REFERENCES ON PAGE \_\_\_\_ OF THIS DOCUMENT

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BK 1858 PG 0372

AFTER RECORDING MAIL TO:

SEAFIRST BANK  
P.O. Box 84448  
Seattle, WA 98124  
Attention: EMILY GILLMAN, R/C No. 26706

DEED OF TRUST

THIS DEED OF TRUST (hereafter "Instrument") is granted as of August 4, 1998 by STANISLAW PROPERTIES, L.L.C. ("Grantor") to Rainier Credit Company ("Trustee"), in trust for Bank of America National Trust and Savings Association, doing business as Seafirst Bank ("Beneficiary"), and is made with reference to the Borrowing Agreement dated July 29, 1998 between Borrower (as defined below) and Beneficiary (the "Agreement"). Grantor agrees as follows:

1. **CONVEYANCE.** Grantor hereby irrevocably grants, bargains, sells and conveys to Trustee in trust, with power of sale, all of Grantor's right, title and interest in the real property legally described in Exhibit A attached ("Property"), whether now owned or later acquired by Grantor, together with all buildings, structures, improvements, equipment, fixtures and articles of property, now or later attached to, or used or adapted for use in the ownership, operation or maintenance of, the Property; all tenements, hereditaments and appurtenances, now or later in any way appertaining to the Property; and all leasehold interests, rents, payments, issues and profits derived from or in any way connected with the Property. The Property is not used principally for agricultural or farming purposes. This Instrument also constitutes a security agreement under the Uniform Commercial Code granting to Beneficiary a security interest in the property, both tangible and intangible, described in any UCC Financing Statement filed in connection with the Agreement or this Instrument.

2. **ASSIGNMENT OF RENTS.**

(a) **ASSIGNMENT.** Grantor further assigns to Beneficiary all of Grantor's interest in all existing and future leases, licenses and other agreements for the use or occupancy of the Property ("Contracts"), including the immediate and continuing right to collect, in either Grantor's or Beneficiary's name, all rents, receipts, income, accounts and other payments due or to become due under the Contracts ("Payments"). As long as there is no default under the Agreement or this Instrument, Grantor is granted a license to collect the Payments, but such license shall not constitute Beneficiary's consent to Grantor's use of the Payments in any bankruptcy proceeding.

(b) **DISCLAIMER.** Nothing contained in this Instrument shall be construed as obligating Beneficiary or any receiver to take any action to enforce any provision of the Contracts, expend any money, incur any expense or perform any obligation under the Contracts. Beneficiary's duties are expressly limited to giving of proper credit for all Payments received by it.

3. **SECURED OBLIGATIONS.** This Instrument secures performance of each agreement of Grantor contained in this Instrument and the performance by JANICKI MACHINE DESIGN INC., a WASHINGTON corporation ("Borrower") of (i) each agreement of Borrower contained in the Agreement (but does not secure the independent hazardous substances indemnity in the Agreement), (ii) the payment of the sum of \$1,750,000.00 with interest thereon according to the terms of the Agreement, (iii) the obligations of Borrower under each existing or future swap transaction (meaning any transaction governed by an ISDA master agreement) to which both

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Borrower and Beneficiary are parties, if this instrument is referenced in such transaction as a credit support document, and (iv) all other existing and future obligations of Borrower to Beneficiary, if the existing or future obligation by its terms states that it is secured by this instrument, and if the existing or future obligation is made or consented to in writing by Grantor and by its terms states that it is secured by this instrument (collectively the "Secured Obligations"), and all renewals, modifications, extensions of, and substitutions for any of the Secured Obligations. Nothing contained in this instrument shall be construed as obligating Beneficiary to make any future advance to Borrower.

**4. AFFIRMATIVE COVENANTS.** Grantor shall, unless waived in writing by Beneficiary:

(a) **MAINTENANCE OF PROPERTY AND TITLE.** Maintain and preserve the Property in good condition and repair, and not commit or permit any waste thereof; complete any improvement which may be constructed on the Property; restore any improvement which may be damaged or destroyed; and maintain the Property free and clear of all liens and encumbrances other than the encumbrance of this instrument, any lien for taxes or assessments not delinquent, and such other liens as may be consented to in writing by Beneficiary, in its sole discretion (the "Permitted Liens");

(b) **COMPLIANCE WITH LAWS.** Comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting the Property;

(c) **REAL ESTATE INTERESTS.** Perform all obligations to be performed by Grantor under the Contracts;

(d) **PAYMENT OF DEBTS AND TAXES.** Pay promptly all obligations secured by the Property; all taxes, assessments and governmental liens or charges levied against the Property; and all claims for labor, materials, supplies or otherwise which, if unpaid, might become a lien or charge upon the Property. If required by Beneficiary, at the time of making each payment to Beneficiary under the Agreement, Grantor shall deposit into a non-interest bearing reserve account with Beneficiary, hereby pledged to Beneficiary as security for the Secured Obligations, a sum estimated by Beneficiary sufficient to pay when due taxes and assessments on the Property and premiums on required insurance.

(e) **INSURANCE.**

(i) **CASUALTY.** Insure continuously with premiums prepaid, with financially sound and reputable insurers acceptable to Beneficiary, all improvements on the Property against all risks, casualties and losses through standard fire and extended coverage insurance or otherwise, including, without limitation, insurance against fire, theft, casualty, vandalism, loss of rents and business interruption and any other risk Beneficiary may reasonably request. The insurance policies shall be in an aggregate amount of not less than the full replacement cost of all improvements on the Property, including the cost of demolition and removal of debris, and shall name Beneficiary as loss payee under a lender loss payable endorsement in form satisfactory to Beneficiary. All deductibles shall be in amounts acceptable to Beneficiary. The amounts collected under the insurance policies may be applied to the Secured Obligations in any manner as Beneficiary determines, and such application shall not cause discontinuance of any proceeding to foreclose upon this instrument. In the event of foreclosure, all of Grantor's rights in the insurance policies shall pass to purchaser at the foreclosure sale;

(ii) **FLOOD.** Obtain flood insurance if the Property is located in a designated flood hazard area (as determined by Beneficiary, with such determination to be made at Grantor's expense) and where federally subsidized flood insurance is available.

(iii) **LIABILITY.** Maintain comprehensive general public liability insurance insuring against liability from risks associated with the use, ownership and operation of the Property.

(iv) **TITLE.** Provide to Beneficiary an A.L.T.A. (1970 modified form) form of lender's extended coverage title insurance for at least \$1,750,000.00 insuring the first lien priority of this instrument, subject only to the Permitted Liens. Such policy shall be issued by a title company acceptable to Beneficiary. The policy shall contain such endorsements as Beneficiary may reasonably request.

(i) **HAZARDOUS WASTE.** Notify Beneficiary within 24 hours of any release of a reportable quantity of any Hazardous Substance, or of the receipt by Grantor of any notice, order or communication from any governmental authority which relates to the existence or potential for environmental pollution of any kind existing on the Property, or results from the use of the Property or any surrounding property. Grantor shall indemnify, defend and hold Beneficiary and its successors and assigns harmless from and against any and all claims, demands, penalties, fees, liens, damages, losses, expenses, and liabilities arising out of or in any way connected with any alleged or actual past or future presence on or under the Property of any Hazardous Substance from any cause whatsoever; it being intended that Grantor shall be strictly and absolutely liable to Beneficiary without regard to any fault by Grantor; provided that this indemnification shall not apply to any Hazardous Substances which originated on or under the Property after the date Beneficiary or any third party acquires fee title to the Property by foreclosure or deed in lieu of foreclosure. This indemnification shall be secured by this instrument, and shall be one of the Secured Obligations under this instrument. "Hazardous Substances" shall mean any substance or material which may be hazardous to the health or safety of any person; including without limitation any substance or material which is now or hereafter becomes regulated under any federal, state, or local statute, ordinance, rule, regulation or other law relating to environmental protection, contamination or cleanup;

(g) **SITE VISITS, OBSERVATION AND TESTING.** Permit Beneficiary and its agents and representatives, at any reasonable time, to enter and visit the Property for the purpose of performing appraisals and/or inspecting the Property, taking and removing soil, groundwater and other samples, and conducting tests on any part of the Property; and

(h) **COSTS AND EXPENSES.** Pay, reimburse and indemnify Beneficiary for all of Beneficiary's reasonable costs and expenses incurred in connection with the enforcement of Beneficiary's rights and Grantor's obligations under this instrument, foreclosing upon this instrument, defending any action or proceeding purporting to affect the rights or duties of Beneficiary or Trustee under this instrument, or managing the Property and collecting the Payments, including, without limitation, all reasonable attorneys' fees and value of the services of staff counsel, legal expenses, collection costs, costs of title search, and trustee's and receiver's fees.

5. **NEGATIVE COVENANTS.** Grantor shall not, without Beneficiary's prior written consent:

(a) **PAYMENTS.** Accept or collect Payments more than one month in advance of the due date;

(b) **CONTRACTS.** Terminate, modify or amend any provision of the Contracts or enter into a Contract with a term, including options or renewal rights, of more than 3 years and/or containing an option to purchase; or

(c) **USE.** Change the present use of the Property or permit or consent to any restriction that would prevent or otherwise impair the use or development of the Property, or permit thereon the generation, processing, storage or disposal of any Hazardous Substance; or

(d) **RESTRICTIONS ON CONVEYANCES.** Transfer or convey any interest in the Property, except by will or intestacy, or transfer a controlling interest in any corporation, partnership or trust the principal purpose of which is ownership of the Property.

6. **EMINENT DOMAIN.** In the event any portion of the Property is taken through eminent domain, the amount of the award to which Grantor is entitled shall be applied to the Secured Obligations.

7. **PROTECTION OF BENEFICIARY'S INTEREST.** If Grantor shall fail to pay any amounts which may become a lien on the Property, pursuant to Section 4(d), or fail to maintain adequate insurance on the Property, as required by Section 4(e), Beneficiary may at its sole option pay such obligations and/or obtain such insurance.

8. **ADDITIONS TO SECURED OBLIGATIONS.** Any payments required under Sections 4(d), 4(e), 4(f), or 4(h), but not made when demanded, shall immediately be deemed added to the Secured Obligations, and shall accrue interest at the highest rate of interest accruing from time to time under the Secured Obligations.

9. **RECONVEYANCE.** Trustee shall reconvey such portion of the Property to the person entitled thereto upon written request of Beneficiary, or upon satisfaction of the Secured Obligations and written request for reconveyance made by Beneficiary or any person interested in the Property, accompanied by Trustee's standard reconveyance fee, which fee shall be Grantor's obligation.

10. **SUCCESSOR TRUSTEE.** In the event of death, incapacity, disability, dissolution, resignation or refusal to act of the Trustee, Beneficiary may appoint a successor trustee and, upon the recording of such appointment in the records of the county in which this instrument is recorded, the successor trustee shall be vested with all powers of the original Trustee.

11. **EVENTS OF DEFAULT.** The occurrence of any of the following events shall, at Beneficiary's option, and at any time without regard to any previous knowledge on Beneficiary's part, constitute a default under the terms of this instrument, the Agreement, the Secured Obligations and all related loan documents:

(a) **NON-PAYMENT OF PRINCIPAL OR INTEREST.** Any payment of principal or interest on the Secured Obligations is not made when due; or

(b) **FAILURE TO PERFORM.** Any tax, assessment, insurance premium, lien, encumbrance or other charge against the Property, or any payment under a real estate contract covering the Property is not paid when due; or any other term, covenant or agreement of Grantor contained in this instrument, or of Borrower contained in the Agreement or in any other document with Beneficiary, or in which Grantor grants a security interest in the Property, is not promptly performed or satisfied, or any other default shall occur under the Agreement.

12. **REMEDIES UPON DEFAULT.** If any default occurs and is continuing, Beneficiary may, at its option:

(a) **TERMINATE COMMITMENT.** Terminate any outstanding and unfulfilled commitment to Borrower;

(b) **ACCELERATE.** Declare any or all of the Secured Obligations, together with all accrued interest, to be immediately due and payable without presentment, demand, protest or notice of any kind, all of which are expressly waived by Grantor;

(c) **PAYMENTS.** Pay such sums as may be necessary to obtain a current appraisal, to inspect and test the Property, and to pay any tax, assessment, insurance premium, lien, encumbrance or other charge against the Property, or any payment under a real estate contract covering the Property, without prejudice to Beneficiary's right to accelerate the Secured Obligations and foreclose upon this instrument. Grantor shall reimburse Beneficiary, upon demand, for all such amounts paid by Beneficiary, with interest thereon from the date of such payment at the highest rate that is, from time to time, applicable on any of the Secured Obligations. All unreimbursed amounts shall be added to and become a part of the Secured Obligations;

(d) **COLLECTION OF PAYMENTS.** Terminate the license granted to Grantor to collect the Payments; take possession of, manage and operate the Property under the terms of the Contracts; and demand and collect all Payments, including endorsing any check, draft or other instrument given as payment, either by itself or through an agent or judicially-appointed receiver. The Payments shall be

applied first to payment of the costs of managing the Property and collecting the Payments, and then to the Secured Obligations;

(e) **TRUSTEE'S SALE.** Direct the Trustee, upon written request, to sell the Property and apply the sale proceeds in accordance with Washington's Deed of Trust Act (RCW §61.24.010, et seq.). Any person, except Trustee, may bid at the Trustee's sale; and

(f) **OTHER REMEDIES.** Pursue all other available legal and equitable remedies, including, without limitation, foreclosing upon this instrument as a mortgage.

13. **HYPOTHECATION PROVISIONS.** Grantor hereby (i) waives presentment, demand, protest and notice of acceptance, demand, protest and nonpayment; (ii) waives any and all lack of diligence or delays in collection or enforcement, the right to plead laches and any and all statutes of limitation as a defense to any demand, or any other indulgence or forbearance whatsoever with respect to the Secured Obligations; (iii) waives notice of acceptance hereof by Beneficiary or Trustee under this instrument; (iv) waives notice of any and all advances made under the Agreement or any other agreement secured by this instrument; (v) agrees that Beneficiary may make renewals and extensions of time for the payment of the Secured Obligations, may modify the Secured Obligations, may add to or release any property directly or indirectly securing the Secured Obligations, and may otherwise deal with the Borrower or any guarantor or hypothecator of collateral as it may elect, without in any way affecting the enforceability of Beneficiary's lien on the Property under this instrument. Beneficiary's recourse for payment obligations of Grantor under this instrument shall be limited to the Property, and Grantor shall have no personal liability for such payments unless incurred under a separate guaranty or agreement with Beneficiary.

14. **FIXTURE FILING.** The mailing address of the Beneficiary is as shown at the top of this instrument. The mailing address of the Grantor is 24585 STATE RT. 20, SEDRO WOOLLEY, WA 98284. For purposes of the Uniform Commercial Code, the Grantor is the Debtor, the Beneficiary is the Secured Party, and this instrument constitutes a fixture financing statement.

15. **WAIVER.** No waiver by Beneficiary of any deviation by Grantor from full performance of this instrument or by Borrower of the Secured Obligations, as the case may be, shall constitute a waiver of Beneficiary's right to require prompt payment or to assert any other right or remedy provided for in this instrument or the Secured Obligations on the basis of the same or similar failure to perform.

16. **SUCCESSORS AND ASSIGNS.** This instrument inures to the benefit of and is binding upon the respective heirs, devisees, legatees, administrators, executors, successors and assigns of the parties hereto.

17. **TAX STATUS CERTIFICATE.** EACH Grantor MUST INITIAL one of the following boxes:



By executing this instrument, the undersigned certifies under penalty of perjury that: (i) Grantor is not subject to tax withholding under Section 1445 of the Internal Revenue Code (the "Code") because Grantor is a "United States person," within the meaning of Section 7701(a)(30) of the Code (a U.S. citizen or resident individual, a domestic corporation, partnership, or other unincorporated business entity, or any estate or trust that is not a "foreign estate or trust" within the meaning of Section 7701(a)(31) of the Code); (ii) Grantor's street address is 24585 STATE RT. 20, SEDRO WOOLLEY, WA 98284; and (iii) Grantor's federal taxpayer identification number is as shown below Grantor's signature line below. To the best of the undersigned's knowledge and belief upon examination, this certification is true, correct, and complete. The undersigned understands that this certification may be disclosed to the Internal Revenue Service by Beneficiary and that any false statement made herein could be punished by fine, imprisonment, or both.

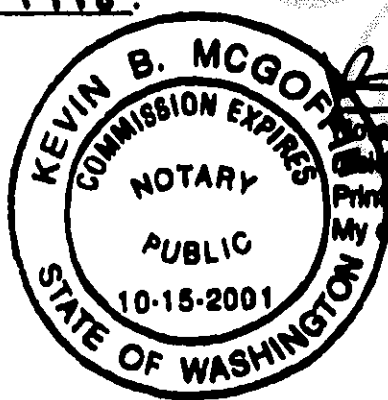
The Grantor is not a "United States person," within the meaning of Section 7701(a)(30) of the Code. GRANTOR UNDERSTANDS THAT 10% OF THE AMOUNT REALIZED UPON A DISPOSITION OF THE PROPERTY MAY BE WITHHELD BY BENEFICIARY PURSUANT TO SECTION 1445 OF THE CODE.

Mary T. Jankiewicz McTaffin  
STANISLAW PROPERTIES, L.L.C.  
Tax I.D. No. (or S.S.N.): 91-1897781

State of Washington  
County of Snohomish

I certify that I know or have satisfactory evidence that **STANISLAW PROPERTIES, L.L.C.** is the person who appeared before me, and said person acknowledged that (s)he signed this instrument and acknowledged it to be her/his free and voluntary act for the uses and purposes mentioned in the instrument.

DATED: August 3, 1948.



Notary Public for the State of USA  
 Residing at Sedro-Woolley  
 Printed name of Notary: Kenneth E. McFarlin  
 My commission expires 10-15-2001

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**PARCEL A:**

Tract 1, SKAGIT COUNTY SHORT PLAT NO. 11-84, approved May 23, 1984, and recorded October 17, 1984, in Volume 6 of Short Plats, pages 179 and 180, under Auditor's File No. 8410170004, records of Skagit County, Washington; being a portion of the Southwest Quarter of the Southeast Quarter in Section 18, Township 15 North, Range 5 East of the Willamette Meridian.

**PARCEL B:**

Tract 2, SKAGIT COUNTY SHORT PLAT NO. 11-84, approved May 23, 1984, and recorded October 17, 1984, in Volume 6 of Short Plats, pages 179 and 180, under Auditor's File No. 8410170004, records of Skagit County, Washington; being a portion of the Southwest Quarter of the Southeast Quarter in Section 18, Township 15 North, Range 5 East of the Willamette Meridian.

ALL situated in Skagit County, Washington.

PROPERTY ADDRESS: 24595 STATE ROUTE 20, SEDRO WOOLLEY, WA 98284

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