

COUNTY AUDITOR INDEXING COVER SHEET

WHEN RECORDED RETURN TO:

Name: Donald and Janet Sicklesteel
Address: 2920 Iroquois Drive
City, State, Zip: Mt. Vernon, WA 98273



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Kathy Hill, Skagit County Auditor
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DOCUMENT TITLE(s)

1. Deed of Trust

REFERENCE NUMBER(s) OF DOCUMENTS ASSIGNED OR RELEASED:

Additional numbers on page of document

GRANTOR(s):

1. Sicklesteel Cranes, Inc.

Additional names on page of document

GRANTEE(s):

1. Donald L. Sicklesteel

2. Janet A. Sicklesteel

Additional names on page of document

LEGAL DESCRIPTION

(5.74) PTN NE1/4 SW1/4 AKA TR D/S P#1-86 DT 17 DK S AF # 80603070013
EXC S 70 FT

PTN NE1/4 SW1/4 AKA TR C S/P #10-86 AF# DT 17 DK 8603070013 EXC W
70FT & EXC S 70 FT

Commonly known as: 1021 Sicklesteel Lane, Mt. Vernon, WA 98274

additional legal description is on page of document

ASSESSOR'S PROPERTY TAX PARCEL ACCOUNT NUMBER(s):

P29345

additional legal description is on page of document

The Recorder will rely on the information provided on the form. The staff will not read the document to verify the accuracy or completeness of the indexing information provided herein.

WHEN RECORDED RETURN TO:

Name: Donald and Janet Sicklesteel
Address: 2920 Iroquois Drive
City, State, Zip: Mt. Vernon, WA 98273

DEED OF TRUST

THIS DEED OF TRUST, made this 14 day of January, 2000, between SICKLESTEEL CRANES, INC., GRANTOR, whose address is 1901 Fifth Avenue, Suite 3400, Seattle, WA 98101, CHICAGO TITLE INSURANCE COMPANY, a corporation, TRUSTEE, whose address is 1700 Columbia Center, 701 Fifth Avenue, Seattle, Washington 98104 and DONALD L. and JANET A. SICKLESTEEL, and D&J, LLC, BENEFICIARY, whose address is 2920 Iroquois Drive, Mt. Vernon, WA 98273

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

(5.74) PTN NE1/4 SW1/4 AKA TR D/S P#1-86 DT 17 DK S AF # 80603070013
EXC S 70 FT

PTN NE1/4 SW1/4 AKA TR C S/P #10-86 AF# DT 17 DK 8603070013 EXC W
70FT & EXC S 70 FT

Commonly known as: 1021 Sicklesteel Lane, Mt. Vernon, WA 98274

Parcel No.: P29345

which real property is not used principally for agricultural or farming purposes, together with all the tenements, hereditaments, and appurtenances now or hereafter thereunto belonging or in any wise appertaining.

This deed is for the purpose of securing payments due or to become due under the Consulting Agreement and performance of the Stock Purchase Agreement, in accordance with their terms, and also such further sums as may be advanced or loaned by Beneficiary to Grantor, or any of their successors or assigns, together with interest thereon at such rate as shall be agreed upon.



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Such security is subordinate to the first \$1,167,500 for which the property is used to secure Grantor's primary real estate lending institutions or greater insofar as equity in such property equals twice the payments due under the Consulting Agreement and the principal balance owed under the Stock Purchase Agreement at any given time. The terms and security provided by this instrument are in conjunction with the terms and security provided by the Deed of Trust on the Grantor's Kent Property, said terms and security are not intended to be duplicative.

To protect the security of this Deed of Trust, Grantor covenants and agrees:

1. To keep the property in good condition and repair; to permit no waste thereof; to complete any building, structure or improvement being built or about to be built thereon; to restore promptly any building, structure or improvement thereon which may be damaged or destroyed; and to comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting the property.
2. To pay before delinquent all lawful taxes and assessments upon the property; to keep the property free and clear of all other charges, liens or encumbrances impairing the security of this Deed of Trust.
3. To keep all buildings now or hereafter erected on the property described herein 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 Grantor, and be in such companies as the Grantor desires and have loss payable first to the Grantor, as its interest may appear, and then to the Beneficiary. The amount collected under any insurance policy may be applied upon any indebtedness hereby secured in such order as the Grantor shall determine. Such application by the Grantor shall not cause discontinuance of any proceedings to foreclose this Deed of Trust. In the event of foreclosure, all rights of the Grantor in insurance policies then in force shall pass to the purchaser at the foreclosure sale.
4. To defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee, and to pay all costs and expenses, including cost of title search and attorney's fees in a reasonable amount, in any such action or proceeding, and in any suit brought by Beneficiary to foreclose this Deed of Trust.
5. To pay all costs, fees and expenses in connection with this Deed of Trust, including the expenses of the Trustee incurred in enforcing the obligation secured hereby and Trustee's and attorney's fees actually incurred, as provided by statute.
6. Should Grantor fail to pay when due any taxes, assessments, insurance premiums, liens, encumbrances or other charges against the property hereinabove described, Beneficiary may pay the same, and the amount so paid, with interest at the rate set forth in the note secured hereby, shall be added to and become a part of the debt secured in this Deed of Trust.



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IT IS MUTUALLY AGREED THAT:

1. In the event any portion of the property is taken or damaged in an eminent domain proceeding, the entire amount of the award or such portion as may be necessary to fully satisfy the obligation secured hereby, shall be paid to Beneficiary to be applied to said obligation.
2. By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive its right to require prompt payment when due of all other sums so secured or to declare default for failure to so pay.
3. The Trustee shall reconvey all or any part of the property covered by this Deed of Trust to the person entitled thereto on written request of the Grantor and the Beneficiary, or upon satisfaction of the obligation secured and written request for reconveyance made by the Beneficiary or the person entitled thereto.
4. Upon default by Grantor in the payment of any indebtedness secured hereby or in the performance of any agreement contained herein, all sums secured hereby shall immediately become due and payable at the option of the Beneficiary. In such event and upon written request of Beneficiary, Trustee shall sell the trust property, in accordance with the Deed of Trust Act of the State of Washington, at public auction to the highest bidder. Any person except Trustee may bid at Trustee's sale. Trustee shall apply the proceeds of the sale as follows: (1) to the expense of the sale, including a reasonable Trustee's fee and attorney's fee; (2) to the obligation secured by this Deed of Trust; (3) the surplus, if any, shall be distributed to the persons entitled thereto.
5. Trustee shall deliver to the purchaser at the sale its deed, without warranty, which shall convey to the purchaser the interest in the property which Grantor had or had the power to convey at the time of his execution of this Deed of Trust, and such as he 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 encumbrances for value.
6. The power of sale conferred by this Deed of Trust and by the Deed of Trust Act of the State of Washington is not an exclusive remedy; Beneficiary may cause this Deed of Trust to be foreclosed as a mortgage.
7. In the event of the death, incapacity, disability or resignation of Trustee, Beneficiary may appoint in writing a successor trustee, and upon the recording of such appointment in the mortgage records of the county in which this Deed of Trust is recorded, the successor trustee shall be vested with all powers of the original trustee. The trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Grantor, Trustee or Beneficiary shall be a party unless such action or proceeding is brought by the Trustee.
8. This Deed of Trust applies to inures to, the benefit of, and is binding not only on the parties hereto, but on their heirs, devisees, legatees, administrators, executors and assigns. The



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term Beneficiary shall mean the holder and owner of the note secured hereby, whether or not named as Beneficiary herein.

9. Any notices permitted or required under this Agreement shall be deemed given upon the date of personal delivery or forty-eight (48) hours after deposit in the United States mail, postage fully prepaid, return receipt requested, addressed to Sicklesteel at:

Thomas E. Sicklesteel
Sicklesteel Cranes, Inc.
1021 Sicklesteel Lane
Mt. Vernon, WA 98274-8800

James H. Hopkins
Skellenger Bender, P.S.
1301 5th Avenue, Ste. 3401
Seattle, WA 98101-2605

addressed to the Beneficiary at:

Donald L. and Janet A. Sicklesteel
2920 Iroquois Drive
Mt. Vernon, WA 98273

or at any other address as any party may, from time to time, designate by notice given in compliance with this Section.

Dated: 1/14/00

SICKLESTEEL CRANES, INC.,
a Washington corporation

By: 

Thomas E. Sicklesteel



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