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Skagit County Auditor

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Filed for Record at Request of:

Merrilee A. MacLean
Karr Tuttle Campbell
1201 Third Avenue, Suite 2900
Seattle, WA 98101

DEED OF TRUST

Grantor(s): DYNES FARMS, INC. aka DYNES FARMS

Grantee(s): Skagit Farmers Supply

Additional Legal(s) on pages: 6 & 7

NE NWA NW NE
7-35-4

Assessor's Tax Parcel Number(s): 350407-1-007-0009, P35913; 350407-008-0008, P35914; 350407-2-002-0002, P35924; 350407-1-010-004, P35920; 350407-1-008-0107, P35915; 350407-1-008-0305, P103677

THIS DEED OF TRUST, made this 8th day of August, 2003, between DYNES FARMS, INC., a Washington Corporation, GRANTOR whose address is P.O. Box 286, Burlington, WA 98233, LAND TITLE COMPANY OF SKAGIT COUNTY, TRUSTEE, whose address is P.O. Box 445, Burlington, Washington, and SKAGIT FARMERS SUPPLY, BENEFICIARY, whose address is P.O. Box 266, Burlington, Washington 98233, WITNESSETH: Grantor hereby bargains, sells and conveys to Trustee in Trust, with power of sale, the following described real property in Skagit County, Washington:

SEE ATTACHED EXHIBIT "A"

which real property, for the purposes of this agreement, is not used principally for agricultural or farming purposes, together with all the tenements, hereditaments and appurtenances now or

hereafter thereunto belonging or in any wise appertaining, and the rents, issues and profits thereof.

This deed is for the purpose of securing performance of each agreement of grantor and payment of the sum of SEVENTY EIGHT THOUSAND ONE HUNDRED THIRTY-FIVE AND 98/100 DOLLARS (\$78,135.98) with interest in accordance with the terms of a Promissory Note and Forbearance Agreement of even date herewith, payable to Beneficiary or order, and made by Grantor, and all renewals, modifications and extensions thereof, and also such further sums as may be advanced or loaned by Beneficiary to Grantor, or any of their successors or assigns, together with interest thereon at such rate as shall be agreed upon.

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

1. To keep the property in good condition and repair; to permit no waste thereof; to complete any building, structure or improvement being built or about to be built thereon; to restore promptly any building, structure or improvement thereon which may be damaged or destroyed; and to comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting the property.
2. To pay before delinquent all lawful taxes and assessments upon the property; to keep the property free and clear of all other charges, liens or encumbrances impairing the security of this Deed of Trust.
3. To keep all buildings now or hereafter erected on 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 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. The amount collected under any insurance policy may be applied upon any indebtedness hereby secured in such order as the Beneficiary shall determine. Such application by the Beneficiary shall not cause discontinuance of any proceedings to foreclose this Deed of Trust. In the event of foreclosure, all rights of the Grantor in insurance policies then in force shall pass to the purchaser at the foreclosure sale.
4. To defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee, and to pay all costs and expenses, including cost of title search and attorney's fees in a reasonable amount, in any such action or proceeding, and in any suit brought by Beneficiary to foreclose this Deed of Trust.
5. To pay all costs, fees and expenses in connection with this Deed of Trust, including the 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



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may pay the same, and the amount to 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.

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 for failure to so pay.

3. Beneficiary agrees not to convey, transfer or any way encumber it's interest herein without the written permission of Grantor.

4. 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.

5. 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 on 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.

6. 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.

7. 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.

8. 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



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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 party unless such action or proceeding is brought by the Trustee.

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

DATED this 8TH day of AUGUST, 2003.

DYNES FARMS, INC.

By Charles G. Dynes
Its PRESIDENT

STATE OF WASHINGTON)

County of Skagit) ss

On this day personally appeared before me CHARLES G. DYNES to me known to be the President/Secretary for DYNES FARMS, INC., described in and who executed the within and foregoing instrument and acknowledged that he knows the sale of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that he signed his name thereto by like order.

GIVEN under my hand and official seal this 8th day of August, 2003.



Sadie Ann McCoy
NOTARY PUBLIC in and for the State
of Washington, Residing at Sedro Woolley
Sadie Ann McCoy
(Printed or Stamped Name of Notary)

My appointment expires 4/9/06



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EXHIBIT A

That portion of the Northeast $\frac{1}{4}$ of the Northwest $\frac{1}{4}$, and of the Northwest $\frac{1}{4}$ of the Northeast $\frac{1}{4}$ of Section 7, Township 35 North, Range 4 East, W.M., described as follows:

Beginning at a point on the South line of said Northeast $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ that is 950 feet East of the Southwest corner of said subdivision;
thence Northeasterly in a straight line to the Northeast corner of said Northeast $\frac{1}{4}$ of the Northwest $\frac{1}{4}$;
thence East along the North line of the Northwest $\frac{1}{4}$ of the Northeast $\frac{1}{4}$ to the centerline of the Samish River;
thence Southerly along the centerline of said Samish River to the South line of said Northwest $\frac{1}{4}$ of the Northeast $\frac{1}{4}$;
thence West along the South line of said Northwest $\frac{1}{4}$ of the Northeast $\frac{1}{4}$ and the South line of the Northeast $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ to the point of beginning, EXCEPT County roads and rights of way therefore.

ALSO, the Southeast $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of Section 7, Township 35 North, Range 4 East, W.M., EXCEPT County road rights of way, AND EXCEPT that portion described as follows:

Beginning at the Northwest corner of said Southeast $\frac{1}{4}$ of the Northwest $\frac{1}{4}$;
thence East along the North line of said Southeast $\frac{1}{4}$ of the Northwest $\frac{1}{4}$, 950 feet;
thence Southwesterly in a straight line to a point on the South line of said Southeast $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ that is 520 feet East of the Southwest corner of said subdivision;
thence West 520 feet to the Southwest corner of said Southeast $\frac{1}{4}$ of the Northwest $\frac{1}{4}$;
thence North to the point of beginning.

ALSO, the Southwest $\frac{1}{4}$ of the Northeast $\frac{1}{4}$ of Section 7, Township 35 North, Range 4 East, W.M., EXCEPT County road rights of way AND EXCEPT a 20 foot strip deeded to Skagit County for road purposes by deed recorded April 17, 1964, under Auditor's File No. 649320.

ALSO, that portion of the Southeast $\frac{1}{4}$ of the Northeast $\frac{1}{4}$ of Section 7, Township 35 North, Range 4 East, W.M., lying Westerly of the former railroad right of way commonly known both as the Pacific Highway and as Old Highway 99, EXCEPT the North 20 feet thereof.

EXCEPT from the above, the following described tracts:

1. That portion of the Northwest $\frac{1}{4}$ of the Northeast $\frac{1}{4}$ lying between the centerline of the Samish River and a line drawn 25 feet Westerly of the line of mean high water of said river.
2. That portion of the Southwest $\frac{1}{4}$ of the Northeast $\frac{1}{4}$ lying between lines drawn 25 feet Easterly and 25 feet Westerly of the line of mean high water of the Samish River.



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That portion of the Southwest $\frac{1}{4}$ of the Northeast $\frac{1}{4}$ of Section 7, Township 35 North, Range 4 East, W.M., described as follows:

Beginning at the Northeast corner of said subdivision as shown on the plat of "SAMISH RIVER PARK, DIVISION NO. 1," as per plat recorded in Volume 9 of Plats, pages 43 and 44, records of Skagit County, Washington;
thence South $89^{\circ}03'40''$ West along the North line of said subdivision, 296.42 feet to the true point of beginning;
thence South $3^{\circ}06'20''$ East 115.02 feet;
thence North $89^{\circ}03'40''$ East parallel with said North line, 88.00 feet;
thence South $3^{\circ}06'20''$ East 190.74 feet;
thence South $89^{\circ}03'40''$ West 220 feet, more or less, to the Samish River;
thence Northerly along said Samish River to an intersection with said North line of said subdivision;
thence North $89^{\circ}03'40''$ East along said North line, 280 feet, more or less, to the true point of beginning.

EXCEPT that portion thereof conveyed to the State of Washington, the Department of Game by deed recorded October 29, 1970, under Auditor's File No. 745247.

Situated in the County of Skagit, State of Washington.



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