

After Recording Return to:

Ms. Kathy Green
Skagit Farmers Supply
P.O. Box 266
Burlington, WA 98233



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Skagit County Auditor

8/3/2012 Page 1 of 7 4:08PM

LAND TITLE OF SKAGIT COUNTY

143164-D

DEED OF TRUST

Grantor: Robert L. Hayton
Susan Hughes Hayton

Grantee: Skagit Farmers Supply, a Washington corporation

Abbreviated Legal Description: PTN NW ¼ NW 1/4 , 29-34-4 E.W.M.

Assessor's Tax Parcel ID#: 340429-0-¹⁰⁴⁻~~100~~0008 (P28262)
340429-0-113-0007 (P28272)

THIS DEED OF TRUST, made this 3 day of ^{Aug} ~~July~~, 2012, between Robert L. Hayton and Susan Hughes Hayton, husband and wife ("Grantors"), whose address is P.O. Box 399, Burlington, Washington, and Skagit Farmers Supply, a Washington Corporation, ("Beneficiary"), whose address is P.O. Box 266, Burlington, Washington 98233, and Land Title and Escrow Company, whose mailing address is 111 East George Hopper Road, Burlington, Washington 98233 ("Trustee").

Witnesseth, Grantor hereby grants, bargains, sells and conveys to Trustee in trust, with power of sale, all Grantor's right, title, estate and interest, now owned or hereafter acquired, in the real property located in Skagit County, Washington and legally described as:

See attached Exhibit A which is attached to this Deed of Trust and made a part of this Deed of Trust as if fully set forth herein.

Situate in the County of Skagit, State of Washington.

Commonly known as 116 and 202 E Section Street, Mount Vernon, Washington 98273. The Real Property tax identification numbers are 340439-0-104-0008 and 340439-0-113-0007.

together with all the tenements, hereditaments and appurtenances now or hereafter thereunto belonging or in anywise appertaining, all improvements now or hereinafter thereon or therein, and the rents, issues and profits of the foregoing.

This Deed of Trust is for the purpose of securing performance of each agreement of Grantor and Hayton Farms Inc., Hayton's Crop Farms, Inc. and Hayton's Berry Farm, Inc., all Washington corporations, to Beneficiary herein, including the payment of all obligations owed to Beneficiary arising out of the Commercial Credit Application executed May 4, 2005, as well as any other obligations incurred or owed by Grantor or Hayton Farms, Inc., Hayton's Crop Farms, Inc. and/or Hayton's Berry Farm, Inc. or any future company owned or operated 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 its companies, successors or assigns, together with interest thereon at such rate as by law permitted.

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

1. To keep the property and all buildings, structures and improvements thereon ("improvements") in good condition and repair; to complete any improvements being built or about to be built thereon; to restore promptly any improvements thereon which may be damaged or destroyed; to permit no waste to the property or improvements; and to comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting the property and improvements.

2. To pay before delinquency all lawful taxes and assessments upon the property and/or the improvements; to keep the property and improvements free and clear of all other charges, liens or encumbrances impairing the security of this Deed of Trust.

3. To keep all improvements 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 with 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

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201208030145
Skagit County Auditor

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 obligations 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 and/or improvements, Beneficiary may pay the same, and the amount to be paid, with interest at the rate set forth in the note secured hereby, shall be added to and become a part of the obligations secured in this Deed of Trust.

IT IS MUTUALLY AGREED THAT:

7. In the event any portion of the property or improvements is taken or damaged in an eminent domain proceeding, or conveyed by deed in lieu of such proceedings, the entire amount of the award or amount paid for the property and improvements, 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.

8. Should the property or improvements be sold, conveyed or otherwise transferred prior to the payment in full of the note payment of which secured by this Deed of Trust, said note shall without any action or notice on the part of the Grantor hereof or the holder of the note become immediately due and payable.

9. By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive Beneficiary's 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 and improvements 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 obligations secured hereby and written request for reconveyance made by the Beneficiary or the person entitled thereto.

11. Upon default by Grantor in the payment of any indebtedness secured hereby or in the performance of any agreement contained herein and Grantors failure to cure that default within ten (10) days following Grantor's receipt of written notice of default, all sums secured

B0178917/32008.100



201208030145
Skagit County Auditor

hereby shall immediately become due and payable without further action or notice by the Grantor or the holder of the note secured hereby. In such event and upon written request of Beneficiary, Trustee shall sell the property and improvements, 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.

12. Trustee shall deliver to the purchaser at the sale its deed, without warranty, which shall convey to the purchaser the interest in the property and improvements 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.

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 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.

15. 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.

16. Grantor represents and warrants that the property and improvements covered by this Deed of Trust are not used principally for agricultural or farming purposes.

DATED the day and year first above written

Robert Hayton
By Eusan Hughes Hayton

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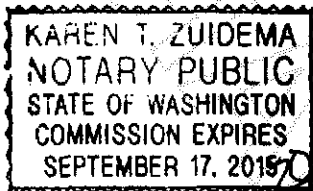
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Its _____

STATE OF WASHINGTON)
) ss.
COUNTY OF Skagit)

On this 3rd day of Aug, 2012, before me a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Robert L Hayton, known to me to be the individual named in and who executed the foregoing document, and acknowledged to me that it was his free and voluntary act for the uses and purposes therein mentioned.

WITNESSED my had and official seal hereto affixed the day year first written above.



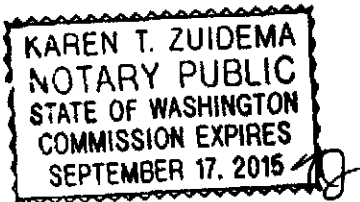
Karen Zuidema
NOTARY PUBLIC in and for the State
of Washington, residing at Burlington

Karen Zuidema
(Printed or Stamped Name of Notary)
My appointment expires 9/17/15

STATE OF WASHINGTON)
) ss.
COUNTY OF Skagit)

On this 3rd day of Aug, 2012, before me a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Susan Hughes Hayton, known to me to be the individual named in and who executed the foregoing document, and acknowledged to me that it was her free and voluntary act for the uses and purposes therein mentioned.

WITNESSED my had and official seal hereto affixed the day year first written above.



Karen Zuidema
NOTARY PUBLIC in and for the State
of Washington, residing at Burlington

Karen Zuidema
(Printed or Stamped Name of Notary)
My appointment expires 9/17/15

B0178917/32008.100



201208030145
Skagit County Auditor

Schedule "A-1"

143164-O

DESCRIPTION:

PARCEL "A":

The North 100.00 feet of the East 60.00 feet of the following described tract:

That portion of the Northwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of Section 29, Township 34 North, Range 4 East, W.M., described as follows:

Beginning at a point on the North line of said Section, which is 187.45 feet East of the Northwest corner thereof;

thence South parallel with the West line of said Section, 396 feet;

thence East parallel with the North line of said Section, 142.55 feet;

thence North parallel with the West line of said Section to the North line thereof;

thence West along said North line to the point of beginning,

EXCEPT the North 30 feet thereof known as Section Street conveyed to the City of Mount Vernon by instrument recorded April 16, 1908, under Auditor's File No. 67235, records of Skagit County, Washington,

AND EXCEPT that portion of said premises, if any, lying South of the North line of those premises conveyed to John T. Galyean, et ux, by Deed dated October 29, 1928, filed January 11, 1933, under Auditor's File No. 254307, and recorded in Volume 154 of Deeds, page 566.

Situate in the County of Skagit, State of Washington.

PARCEL "B":

That portion of the Northwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of Section 29, Township 34 North, Range 4 East, W.M., described as follows:

Beginning at a point on the North line of said Section, which is 187.45 feet East of the Northwest corner thereof;

thence South parallel with the West line of said Section, 396 feet;

thence East parallel with the North line of said Section, 142.55 feet;

thence North parallel with the West line of said Section to the North line thereof;

thence West along said North line to the point of beginning,

EXCEPT the North 30 feet thereof known as Section Street conveyed to the City of Mount Vernon by instrument recorded April 16, 1908, under Auditor's File No. 67235, records of Skagit County, Washington,

AND EXCEPT that portion of said premises, if any, lying South of the North line of those premises conveyed to John T. Galyean, et ux, by Deed dated October 29, 1928, filed January 11, 1933, under Auditor's File No. 254307, and recorded in Volume 154 of Deeds, page 566,

EXHIBIT A



201208030145

Skagit County Auditor

DESCRIPTION CONTINUED:

PARCEL "B" continued:

AND ALSO EXCEPT the South 172.00 feet,

AND ALSO EXCEPT the North 100.00 feet of the East 60.00 feet thereof.

TOGETHER WITH a non-exclusive easement mutually beneficial easement for ingress, egress and utilities over, under and across the East 30.00 feet of the North 194.00 feet of the following described tract:

That portion of the Northwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of Section 29, Township 34 North, Range 4 East, W.M., described as follows:

Beginning at a point 187.45 feet East of the Northwest corner of said Section 29;
thence running South parallel with the West line of said Section, 396 feet;
thence West to the East line of the right of way of the Great Northern Railway Company;
thence Northerly along said East line of said right of way to the North line of said Section;
thence East to the point of beginning,

EXCEPT the North 30 feet conveyed to the City of Mount Vernon by instrument recorded April 16, 1908, under Auditor's File No. 67235, records of Skagit County, Washington,

AND EXCEPT that portion of said premises, if any, lying South of the North line of those premises conveyed to John T. Galyean, et ux, by Deed dated October 29, 1928, filed January 11, 1933, under Auditor's File No. 254307, and recorded in Volume 154 of Deeds, page 566.

Situate in the County of Skagit, State of Washington.

EXHIBIT A



201208030145
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