

When recorded return to:

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1204 Cleveland Avenue  
Mount Vernon, Washington 98273



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Skagit County Auditor

\$78.00

6/30/2014 Page

1 of

6 3:51PM

**SHORT FORM DEED OF TRUST**

107223-2  
GUARDIAN NORTHWEST TITLE CO.

**GRANTORS:** Seas Holding, L.L.C., a Washington limited liability company.

**GRANTEES:**

1. Beneficiary Gary VanderYacht, a married man as to his separate estate, as to a 50% interest; and Pension Portfolio Services Retirement Plan, James E. Bolduc, Trustee, as to a 50% interest.
2. Trustee Guardian Northwest Title & Escrow.

**LEGAL DESCRIPTION (abbreviated):**

Section 11, Township 34 North, Range 4 East, W.M., Ptn. W 1/2 - SW 1/4.  
Full legal description set forth on page 2.

**ASSESSOR'S PROPERTY TAX**

**PARCEL OR ACCOUNT NO.** P24530; P24531

**REFERENCE NOS OF DOCUMENTS ASSIGNED OR RELEASED:** None

**CONVEYANCE:**

This Deed of Trust is made on June 20, 2014, between SEAS Holding, L.L.C., a Washington limited liability company, Grantor, Guardian Northwest Title & Escrow, Trustee, which address is P.O. Box 1667, Mount Vernon, WA 98273; and Gary VanderYacht, a married man as to his separate estate, as to a 50% interest; and Pension Portfolio Services Retirement Plan, James E. Bolduc, Trustee, as to a 50% interest; Beneficiaries, whose address is in care of LTV Lending Group, 336-A East Fairhaven Avenue, Burlington, WA 98233.

Grantors hereby irrevocably grant, bargain, sell, and convey to Trustee in trust, with power of sale, all Grantors' estate, right, title, interest, claim and demand, now owned or hereafter acquired, in and to the following described property in Skagit County, Washington (the "Property," which term shall include all or any part of the Property, any improvements thereon and all the property described in

Deed of Trust

-1-

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Section 1 of the Master Form Deed of Trust hereinafter referred to); which has the address of 22344 Babcock Road, Mount Vernon, WA 98273.

Those portions of the West Half Section 11, Township 34 North, Range 4 East, W.M., described as follows:

Commencing at the Southwest corner of said Section 11; as also disclosed on Record of Surveys under Auditor's File Nos. 8512100058 and 200710110105, records of Skagit County, Washington; thence South 88°32'07" East along the South line of said Section 11, a distance of 1168.41 feet; thence North 1°06'44" East along the projection of and those separated parcels of a boundary line adjustment filed under Auditor's File No. 200710110105, records of Skagit County, (hereinafter known as "The BLA line") 1024.71 feet to the true point of beginning; thence North 65°38'15" West along "The BLA line" 89.27 feet; thence North 60°12'24" West along "The BLA line" 578.82 feet; thence North 58°52'21" West along "The BLA line" 337.35 feet; thence North 43°09'09" West along "The BLA line" 68.08 feet; thence North 0°43'05" West along "The BLA line" 371.65 feet; thence North 3°01'13" East along "The BLA line" 349.79 feet; thence North 28°03'28" East along "The BLA line" 282.53 feet; thence North 39°46'02" East along "The BLA line" 128.04 feet; thence North 73°16'31" East along "The BLA line" 496.76 feet; thence departing "The BLA line" North 73°25'54" East 38.00 feet; thence North 44°26'56" East 176.24 feet returning to "The BLA line" and being a non-tangent point of curvature, from which the radius bears North 40°31'56" West; thence along "The BLA line" being a curve to the left having a radius of 148.75 feet through a central angle of 87°56'43" an arc distance of 228.33 feet; thence North 38°28'39" West along "The BLA line" 106.10 feet; thence North 29°08'06" West along "The BLA line" 48.98 feet; thence North 5°45'31" West along "The BLA line" 28.47 feet; thence North 27°57'37" East along "The BLA line" 255.36 feet; thence North 38°57'10" East along "The BLA line" 102.81 feet; thence North 76°29'57" East along "The BLA line" 62.91 feet; thence departing "The BLA line" North 78°04'08" East 57.19 feet; thence North 25°26'02" East 9.00 feet returning to "The BLA line"; thence South 44°26'23" East along "The BLA line" 36.38 feet, more or less to the Westerly margin of Babcock Road; thence Southerly along the Westerly margin 1113.75 feet more or less to the East line of the West half of the Southwest quarter of said Section 11; thence South 1°06'44" West, along said East line, 1458.85 feet to a point which lies South 88°53'11" East from the true point of beginning; thence North 88°53'11" West 150.00 feet to the true point of beginning.

Situate in the County of Skagit, State of Washington.

TOGETHER WITH all the tenements, hereditments and appurtenances now or hereafter belonging or in any way appertaining leases and other agreements for use and occupancy pertaining thereto and the rents, issues and profits thereof and all other property or rights of any kind or nature whatsoever further set forth in the Master Form Deed of Trust hereinafter referred to SUBJECT HOWEVER, to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply such rents, issues and profit. This Deed of Trust shall constitute a security agreement under the Uniform Commercial Code of Washington between Grantors as debtor and Beneficiary as secured party. Grantors grant a security interest to Beneficiary in any of the property which is personal property and also grants a security interest in the property described in Section 2 of the Master Form Deed of trust hereinafter referred to, now owned or hereafter acquired by Grantors (the Property as

Deed of Trust

-2-

\\SERVER\Time Matters\13 Files\PPS-Jensen Loan Garden of Eden\140224180145MAW.wpd



201406300178

Skagit County Auditor

\$78.00

6/30/2014 Page

2 of

6 3:51PM

defined above, and the property described in said Section 2 are hereafter referred to as the "Collateral").

**THIS DEED IS FOR THE PURPOSE OF SECURING the following:**

(a) Payment of the sum of Two Hundred Fifty Thousand Dollars (\$250,000.00) with interest thereon according to the terms of a promissory note of even date herewith, payable to Beneficiary or order and made by, Borrowers, Farm and Fowl, LLC (the "Note," which term shall include all notes evidencing the indebtedness secured by this Deed of Trust, including all renewals, modifications or extensions thereof). SEAS Holding, LLC executes this Deed of Trust as an accommodation party, and at the request and direction of Farm and Fowl, LLC, for good and valuable consideration and in furtherance of an IRC Section 1031 Exchange by Farm and Fowl, LLC ;

(b) Payment of any further sums advanced or loaned by Beneficiary to Borrowers, or any of its successors or assigns, if:

(i) the note or other writing evidencing the future advance or loan specifically states that it is secured by this Deed of Trust; or

(ii) the advance, including costs and expenses incurred by Beneficiary, is made pursuant to this Deed of Trust or any other documents executed by Borrowers/Grantors evidencing, securing or relating to the Note and/or the Collateral, whether executed prior to, contemporaneously with or subsequent to this Deed of Trust (this Deed of Trust, the Note and such other documents, including any construction or other loan agreement are hereafter collectively referred to as the "Loan Documents") together with interest thereon at the rate set forth in the Note unless otherwise specified in the Loan Documents or agreed to in writing.

(c) Performance of each agreement, term and condition set forth or incorporated by reference in the Loan Documents, including without limitation the loan agreement and/or commitment dated and assignment of leases and/or rents of even date herewith, which are incorporated herein by reference, or contained herein.

By executing and delivering this Deed of Trust and the Note secured hereby, the parties agree that all provisions of Paragraphs 1 through 65 inclusive of the Master Form Deed of Trust hereinafter referred to, except such paragraphs as are specifically excluded or modified herein, are hereby incorporated herein by reference and made an integral part hereof for all purposes the same as if set forth herein at length, and the Grantors freely make said covenants and agree to fully perform all of said provisions. The Master form Deed of Trust above referred to was recorded on the eleventh 11th day of August, 1987, in the Official Records of the offices of the county Auditors of the following counties in Washington in the book, and at the page designated after the name of each county, to-wit:

COUNTY	BOOK OR VOL.	PAGE NO.	AUDITOR'S FILE NO.
Adams	142	305	213404
Asotin			175404
Benton	493	1125	87-12850
Chelan	880	1663	8708110050

Deed of Trust

-3-

\\SERVER\Time Matters\13 Files\PPS-Jensen Loan Garden of Eden\140224180145MAW.wpd



Skagit County Auditor

\$78.00

6/30/2014 Page

3 of

6 3:51PM

Clallam	784	278	594433
Clark		19	8708110009
Columbia	2H	296	H2135
Cowlitz			870811020
Douglas	M224	76	245733
Ferry	MF		205269
Franklin	0227	251	454027
Garfield			87248
Grant	634	109	804746
Grays Harbor	87	18669	870811031
Island	559	1756	87011073
Jefferson	243	338	309675
King			8708110560
Kitsap	432	682	8708110065
Kitittas	264	212	506597
Klickitat	141	300	206526
Lewis	365	154	960637
Lincoln			377660
Mason	384	027	470654
Okanogan	70	2376	741827
Pacific	8708	348	84496
Pend Oreille	74	899	194502
Pierce	0440	0367	8708110085
San Juan	188	341	87147097
Skagit	719	58	8708110057
Skamania	106	326	1036446
Snohomish	2079	0467	0708110076
Spokane	918	688	8708110112
Stevens	115	0434	8705730
Thurston	1511	769	8708110045
Wahkiakum	71	256	38075
Walla Walla	166	400	8706174
Whatcom		614	1580300
Whitman	48		521420
Yakima	1217	977	2807235

A copy of such Master Form Deed of Trust is hereby furnished to the person executing this Deed of Trust and by executing this Deed of Trust, the Grantors acknowledge receipt of such Master Form Deed of Trust. The undersigned Grantors request that a copy of any Notice of Default and of any Notice of Sale hereunder be mailed to him at the address hereinbefore set forth.

The specific provisions of this Deed of Trust, the Promissory Note secured hereby and the Loan Agreement (if any) shall control in the event of conflict with provisions with the Master Form. Provided, however, that notwithstanding any provision to the contrary, this Deed of Trust does not secure any Personal Guarantee given by any member of the Borrower limited liability company

Deed of Trust

-4-

\\SERVER\Time Matters\13 Files\PPS-Jensen Loan Garden of Eden\140224180145MAW.wpd



201406300178

Skagit County Auditor

\$78.00

6/30/2014 Page

4 of

6 3:51PM

Paragraph 17 of the Master Form Deed of Trust is deleted and the following language is substituted:  
**Due on Sale Clause.** Beneficiary may, at its option, declare immediately due and payable all sums secured by this Deed of Trust upon the sale or transfer of all or any part of the real property, or any interest therein, without the Beneficiaries' prior written consent. A "sale or transfer" means the conveyance of any property or any right, title or interest therein; whether legal or equitable, whether voluntary or involuntary, by outright sale, deed, installment sale contract, land contract, contract for deed, leasehold interest with a term greater than ten years, lease/ option to purchase contract; sale, assignment or transfer of any beneficial interest in or to any land trust holding title to the real property or any other method of conveyance of real property interests. A sale of the corporation, limited liability company or partnership interest greater than 49% of the voting stock, partnership interests, or member interests after date of the recording the Deed of Trust or dilution of the current voting stock, partnership or member interests through issuance of additional shares or interests shall likewise constitutes a "transfer". In the case of a conveyance or contract to convey, the interest shall likewise increase to the default amount or the holder may consent to the conveyance or contract to convey and increase the interest rate provided for herein. However, this option shall not be exercised by Beneficiary if exercise is prohibited by federal or Washington law

Paragraph 26 of the Master Form Deed of Trust is deleted and the following language is substituted:  
**Late Charge.** Payments will be late if not received Beneficiary or his successor within the date due as specified in the Promissory Note. If a payment is late, Makers agree to pay a late charge equal to five percent (5%) of the amount of the delinquency. If the event the full balance of the note is not paid on or before 30 days from the date due, the Maker shall pay a late charge equal to two percent (2%) of the balance of all principal and interest due. There will be no daily pro rata adjustment. All late charges shall accrue to the benefit of the Beneficiary. This paragraph shall not relieve the Grantor of the obligation to make payments on or before the date on which they are due nor do the terms of this paragraph in anyway affect Beneficiary's remedies pursuant to the terms of the Note secured hereby or this Deed of Trust.

Paragraph 37 and 47 of the Master Form Deed of Trust is deleted. The property is used for farming purposes. Portions of the property are subject to foreclosure under RCW 61.12.

Paragraph 58(b) of the Master Form Deed of Trust is deleted and the following language is substituted:

(b) Grantors shall promptly comply with all statues regulations and ordinances which apply to Grantors or the Property and with all orders, decrees or judgments of governmental authorities or courts having jurisdiction which Grantors are bound by, relating to the use, collection, storage, treatment, control, removal or cleanup of hazardous or toxic substances in, on or under the Property or in, on or under an adjacent property that becomes contaminated with hazardous or toxic substances as a result or construction, operations or other activities on, or the contamination of, the Property, at Grantors' expense. Beneficiary may, but is not obligated to, enter upon the Property and take such actions and incur such costs and expenses to effect such compliance as it deems advisable to protect its interest as Beneficiary; and whether or not Grantors have actual knowledge of the existence of hazardous or toxic substances in, on or under the Property or any adjacent property as of the date hereof, Grantor shall reimburse Beneficiary on demand for the full amount of all costs and expenses incurred by Beneficiary prior to Beneficiary acquiring title to the Property through foreclosure or deed in lieu of foreclosure, in connection with such compliance activities.

Deed of Trust

-5-

\\SERVER\Time Matters\13 Files\PPS-Jensen Loan Garden of Eden\140224180145MAW.mxd



