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Skagit County Auditor

3/10/2010 Page

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1:45PM

Return to:

Philip M. J. Edison, Esq.
Chapman and Cutler LLP
111 West Monroe Street
Chicago, Illinois 60603

Legal Description: Lot 1 as delineated on Sportsman Plaza Binding Site Plan.

Parcel Number: P123949

CHICAGO TITLE CO. 020006560

DEED OF TRUST, ASSIGNMENT OF RENTS AND SECURITY AGREEMENT

This DEED OF TRUST, ASSIGNMENT OF RENTS AND SECURITY AGREEMENT (hereafter referred to as "*Deed*"), made October 30, 2009, from UFA Holdings, Inc., a Utah corporation whose address is c/o United Farmers of Alberta Co-Operative Limited, Suite 700, 4838 Richard Road SW Calgary, Alberta T3E 6L1 (the "*Company*" and the "*Grantor*"), to Chicago Title Insurance Company, Island Division, whose address is 770 NE Midway Blvd, Oak Harbor, WA 98277 (the "*Trustee*"), for the benefit of The Canada Trust Company, whose address is The Canada Trust Company, c/o Computershare Trust Company of Canada Ltd., 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1 (together with any successors or assigns in such capacity, the "*Beneficiary*" or "*Collateral Agent*"). All capitalized terms used herein but not defined herein shall have the meanings ascribed to such terms in the Collateral Agency and Intercreditor Agreement made as of July 26, 2005 originally among United Farmers of Alberta Co-Operative Limited, as Borrower (the "*Borrower*"), the Collateral Agent, and Royal Bank of Canada, Alberta Treasury Branches, Bank of Montreal, The Bank of Nova Scotia, Canadian Imperial Bank of Commerce, Canadian Western Bank and Rabobank Nederland, Canadian Branch, as Bank Lenders and Manufacturers Life Insurance Company, Nationwide Life Insurance Company, Pacific Life Insurance Company and The Prudential Insurance Company of America, as Note Holders, (as so supplemented, amended, replaced and restated from time to time, the "*Collateral Agency and Intercreditor Agreement*") and for the benefit of any other Secured Parties that become party thereto from time to time.

This Deed of Trust is granted to the Trustee in its capacity as trustee for the Collateral Agent, for and on behalf of the Secured Parties, and all of the mortgages, liens, assignments, charges, conveyances, grants, security interests, covenants, representations, warranties, indemnities, rights, benefits, remedies and protections made or given in favor of the Trustee hereunder are acknowledged to be for the benefit of the Collateral Agent on behalf and for the joint and several benefit of each of the Secured Parties from time to time under, and in accordance with, the Collateral Agency and Intercreditor Agreement.

Chicago Title Company has placed
this document for recording as a
customer courtesy and accepts no
liability for its accuracy or validity

ACCOMMODATION RECORDING

Burlington, WA

Burlington, WA (Final).doc

W:\038795\2345\2009 Re-financing\First Am to 2009 CA\Deeds of Trust (Mortgages)\Burlington, WA (Final).doc

RECITALS

Burlington Retail, LLC, whose address is 8129 Lake Ballinger Way, Suite 104, Edmonds, Washington 98026 ("*Owner*") holds fee title to all those certain tracts of land in the City of Burlington, County of Skagit, State of Washington described in Exhibit "A" attached hereto and made a part hereof (the "*Land*") and the Company has entered into a lease with Owner dated as of February 23, 2006 (the "*Lease*"), with respect to, and holds a leasehold interest in, all or a portion of such Land (as identified in the Lease). The Company conveys all of its interest in the Land (including without limitation any leasehold interest) to the Trustee, for the benefit of Collateral Agent as collateral for all of its debts, liabilities and obligations to the Secured Parties for or in respect of the Secured Obligations, whether present or future, absolute or contingent, and whether incurred alone or together with another or others, including without limitation, pursuant to a material subsidiary guarantee granted by the Company in favor of the Collateral Agent dated September 25, 2009, as amended, restated or replaced from time to time (the "*Guarantee*"), or howsoever otherwise now or hereafter incurred or arising (collectively the "*Obligations*").

WITNESSETH:

To secure payment and performance of the Obligations, and in consideration of these premises and for other consideration, Grantor does grant and convey unto Trustee for the benefit of the Collateral Agent, the Secured Parties from time to time, and their respective successors and assigns, forever, with Power of Sale, to the extent permitted by law, all of Grantor's right, title and interest (including without limitation any leasehold interest) now owned or hereafter acquired in and to each of the following (collectively, the "*Property*"): (i) the Land; (ii) the Lease; (iii) all buildings and improvements now or hereafter erected on the Land; (iv) all fixtures, machinery, equipment and other articles of real, personal or mixed property attached to, situated or installed in or upon, or used in the operation or maintenance of, the Land or any buildings or improvements situated thereon, whether or not such real, personal or mixed property is or shall be affixed to the Land, including without limitation inventory; (v) all building materials, building machinery and building equipment delivered on site to the Land during the course of, or in connection with, any construction, repair or renovation of the buildings and improvements situated or to be situated thereon; (vi) all leases, licenses or occupancy agreements of all or any part of the Land (the "*leases*") and all extensions, renewals, and modifications thereof, and any options, rights of first refusal or guarantees relating thereto; (vii) all rents, income, revenues, security deposits, issues, profits, awards and payments of any kind payable under the leases; (viii) all contract rights, accounts receivable and general intangibles relating to the Land or the use, occupancy, maintenance, construction, repair or operation thereof; (ix) all management agreements, franchise agreements, utility agreements and deposits; (x) all maps, plans, surveys and specifications; (xi) all warranties and guaranties; (xii) all permits, licenses and approvals; (xiii) all insurance policies; (xiv) all estates, rights, tenements, hereditaments, privileges, easements, and appurtenances of any kind benefiting the Land; (xv) all means of access to and from the Land, whether public or private; (xvi) all water and mineral rights; (xvii) all "Proceeds" of any of the above-described property, which term shall have the meaning given to it in the



Uniform Commercial Code of the jurisdiction where this Deed is recorded (the "UCC"), whether cash or non-cash, and including insurance proceeds and condemnation awards; and (xviii) all replacements, substitutions and accessions thereof.

In the event that Grantor obtains a fee estate in such portions of the Land in which the Grantor owns a leasehold estate, or does not own a fee estate, as of the date hereof, such fee estate shall automatically, and without further action of any kind on the part of the Grantor, be and become subject to the security title and lien of this Agreement.

TO HAVE AND TO HOLD the Property and all the estate, right, title and interest, in law and in equity, of Grantor in and to the Property unto Trustee for the benefit of the Collateral Agent and the Secured Parties and their successors and assigns, forever, with the purpose of securing performance of each present and future debt, liability, agreement covenant and warranty of the Guarantor for or in respect of the Secured Obligations, including without limitation under any guarantee of, or other debt, liability or obligation of the Grantor for, the Secured Obligations, including without limitation, pursuant to the Guarantee, and payment in full of all Obligations.

Grantor WARRANTS AND REPRESENTS that the Company is lawfully seized of the Property, and that the Company possesses good and marketable, unencumbered title to the Property, including without limitation a valid leasehold estate in all or a portion of the Land pursuant to the Lease. Grantor further warrants that Grantor has the legal right to convey and encumber the Property, and that the same is free and clear of all Security Interests, liens and encumbrances, except for such Security Interests as are expressly permitted under each and every Credit Document ("*Permitted Liens*"). Grantor further warrants to, and will forever defend its interest in the Property, including without limitation leasehold title to the Lands against the claims of all persons whomsoever, in favor of the Trustee, the Collateral Agent and the other Secured Parties. Grantor intends that this Deed convey title as a security deed, not a deed, under the laws of the State of Washington.

PROVIDED ALWAYS that, subject to the terms and conditions of the Collateral Agency and Intercreditor Agreement and the Credit Documents, from time to time, if (i) all the Obligations are irrevocably and indefeasibly satisfied, terminated, cancelled and paid in full (and the Guarantee, and any other guarantee by the Company of any or all Secured Obligations has been released in accordance with all Credit Documents and the Company has no further debts, liabilities or obligations in respect of the Secured Obligations, present or future, absolute or contingent) (ii) each and every representation, warranty, agreement, covenant and condition of this Deed, and the other Credit Documents are complied with and abided by, and (iii) there exists no default or event of default under any of the Credit Documents, and the cancellation of this Deed shall not reasonably be expected to cause or result in a default or event of default under any of the Credit Documents; then Trustee, at the direction of Collateral Agent, shall furnish an instrument canceling this Deed as provided by law at Grantor's cost in connection with the Obligations being cancelled or paid and satisfied in full.

To protect the security of this Deed, Grantor further represents and agrees with Collateral Agent as follows:



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Payment of Obligations. That the Obligations shall be timely paid and performed.

Other Indebtedness Secured. Collateral Agent may, from time to time, subject to the Collateral Agency and Intercreditor Agreement, without the consent of Grantor, limit the Obligations secured hereby by causing the Trustee to release or exempt certain Obligations from the security of this Deed without impairing the security for Obligations not released or exempted. The Obligations secured by this Deed may include obligations under revolving loan accounts.

Grant of Security Interest in Personal Property. This Deed constitutes a security agreement under the UCC and shall be deemed to constitute a fixture financing statement. Grantor hereby grants a security interest in any personal property included in the Property. On request of Collateral Agent, Grantor will execute one or more financing statements in form satisfactory to Collateral Agent and will pay all costs and expenses of filing the same in all public filing offices, where filing is deemed desirable by Collateral Agent. Collateral Agent and/or Trustee are authorized to file financing statements relating to the Property without Grantor's signature where permitted by law. Grantor appoints Collateral Agent and/or Trustee as its attorney-in-fact to execute such documents necessary to perfect Collateral Agent's security interest on Grantor's behalf. The appointment is coupled with an interest and shall be irrevocable as long as this Deed has not been cancelled in accordance with and subject to the terms hereof.

Nothing herein obligates Collateral Agent or the Secured Parties to provide or continue to provide credit to the Borrower or the Company.

Sale or Assignment. Grantor shall not sell, assign, convey, transfer, sublease, encumber, mortgage, charge or otherwise part with or encumber its leasehold interest in the Land without the prior written consent of the Majority Secured Parties, including the Majority Lenders, except for sales and dispositions which are permitted dispositions under each and every one of the Credit Documents, and do not and will not cause or result in, and are not reasonably expected to cause or result in, a default or event of default under any Credit Document.

Subleases and Easements. Grantor shall maintain, enforce and cause to be performed all of the terms and conditions under any sublease or easement which may constitute a portion of the Property. Grantor shall not, without the consent of Collateral Agent, enter into any new lease or sublease of all or any portion of the Property, agree to the cancellation or surrender under any lease of all or any portion of the Property, agree to prepayment of rents, issues or profits (other than rent paid at the signing of a sublease), modify any such lease so as to shorten the term, decrease the rent, accelerate the payment of rent, or change the terms of any renewal option; and any such purported new lease or sublease, cancellation, surrender, prepayment or modification made without the consent of Collateral Agent shall be void as against Collateral Agent, unless consented to by the Collateral Agent in writing.

Insurance Proceeds. In the event of any damage to or destruction or loss of the Property, the proceeds of insurance to which the Grantor is entitled shall be applied or paid to the Secured Parties in accordance with the provisions of the Credit Documents, subject to the terms of the Collateral Agency and Intercreditor Agreement.



Minimum Standards. In addition to the requirements set forth in the Credit Documents or as may be requested from time to time in writing by the Collateral Agent or the Secured Parties, all surveys, insurance, title policies, construction documents, environmental reports, payment and performance bonds, and any other due diligence or additional documents required in connection with the Credit Documents, shall comply with the Secured Parties' minimum standards in place from time to time for such documents.

Impositions; Escrow Deposit. To the extent it is required to do so under the Lease or otherwise at law, Company will pay all taxes, levies, assessments and other fees and charges imposed upon or which may become a lien upon the Property under any law or ordinance (all of the foregoing collectively "*Impositions*") before they become delinquent, except to the extent that such Impositions are being contested in accordance with all Credit Documents and provided they are not in contravention with any Credit Documentation. Upon request of Collateral Agent, after the occurrence of an Event of Default, the Company shall pay the amount estimated by Collateral Agent to be sufficient to enable Collateral Agent to pay, as they come due, all Impositions and insurance premiums which Grantor is required to pay hereunder. Payments requested under this provision shall be supplemented by the Company or adjusted as required by Collateral Agent from time to time. Such funds may be commingled with the general funds of Collateral Agent and shall not earn interest.

Use of Property. Company shall use and operate, and require its lessees or licensees to use and operate, the Property in compliance with all applicable covenants and restrictions, and with all applicable requirements of the Lease or any lease or sublease now or hereafter affecting the Property, except, in each case, where the failure to do so would not reasonably be expected to, either individually or in the aggregate, have a material adverse effect on the value of the Property or materially impair the use of the Property in the business of the Company. Company shall not permit any unlawful use of the Property or any use that may give rise to a claim of forfeiture of any of the Property or default under the Lease. Company shall not allow changes in the stated use of the Property from that disclosed to Collateral Agent at the time of execution hereof, without the prior written consent of the Collateral Agent.

Maintenance, Repairs and Alterations. Except to the extent that the Owner of the Lands under the Lease is required to do or does do so under the Lease, Company shall keep and maintain the Property in good condition and repair and fully protected from the elements to the satisfaction of Collateral Agent, except, in each case, where the failure to do so would not reasonably be expected to, either individually or in the aggregate, have a material adverse effect on the value of the Property or materially impair the use of the Property in the business of the Company. Grantor will not remove, demolish or structurally alter any of the buildings or other improvements on the Lands or comprising the Property (except such alterations as may be required by laws, ordinances or regulations) in any material respect without the prior written consent of Collateral Agent. Company shall promptly notify Collateral Agent in writing of any material loss, damage or adverse condition affecting the Property.

Eminent Domain. Should the Property or any interest therein be taken or damaged by reason of any public use or improvement or condemnation proceeding ("*Condemnation*"), or should Grantor receive any notice or other information regarding such Condemnation, Grantor



shall give prompt written notice thereof to Trustee and Collateral Agent. Collateral Agent shall be entitled to all compensation, awards and other payments or relief granted to Grantor in connection with such Condemnation and, at its option, may commence, appear in and prosecute in its own name any action or proceedings relating thereto. All compensation, awards, and damages awarded to Grantor related to any Condemnation (the "Proceeds") are hereby assigned to Collateral Agent and Grantor agrees to execute such further assignments of the Proceeds as Collateral Agent may require; Grantor appoints Collateral Agent as its attorney-in-fact to receive and endorse the Proceeds to Collateral Agent, which appointment is coupled with an interest and shall be irrevocable as long as this Deed has not been cancelled in accordance with and subject to the terms hereof.

Appraisals. Grantor agrees that Collateral Agent may obtain an appraisal of the Property at the times and at the expense of the Company as provided for in the Credit Documents or at such other times as Collateral Agent may reasonably require at Grantor's expense. Such appraisals shall be performed by an independent third party appraiser selected by Collateral Agent. If requested by Collateral Agent, Grantor shall execute an engagement letter addressed to the appraiser selected by Collateral Agent. Grantor's failure or refusal to sign such an engagement letter, however, shall not impair Collateral Agent's right to obtain such an appraisal. Subject to the terms of this Paragraph, Company agrees to pay the cost of such appraisal within 10 days after receiving an invoice for such appraisal.

Inspections. Grantor shall, during normal business hours and upon reasonable advance notice (unless otherwise permitted under any Credit Document, or unless an Event of Default shall have occurred and be continuing, in which event no notice shall be required and Collateral Agent shall have access at any and all times during the continuance of such Event of Default) provide reasonable access to the Property to Collateral Agent and any of its representative or agents, as frequently as Collateral Agent reasonably determines to be appropriate.

Liens and Subrogation. Company shall pay and promptly discharge all liens, claims and encumbrances upon the Property, except for the Permitted Liens, unless Company contests in good faith and on reasonable grounds the validity of any such lien, claim or encumbrance, *provided:* (i) such contest suspends the collection thereof and there is no danger of the Property being sold or forfeited while such contest is pending or the lien, claim or encumbrance or context thereof resulting in or having a material adverse effect on the Company or the value of the security granted by the Company to the Collateral Agent for the Obligations; (ii) Company first deposits with Collateral Agent a bond or other security satisfactory to Collateral Agent in such amounts as Collateral Agent shall reasonably require; and (iii) Company thereafter diligently proceeds to cause such lien, claim or encumbrance to be removed and discharged.

Collateral Agent shall be subrogated to any liens, claims and encumbrances against Grantor or the Property that are paid or discharged through payment by Collateral Agent, notwithstanding the record cancellation or satisfaction thereof.

Waiver of Grantor's Rights. To the fullest extent permitted by law, Grantor waives the benefit of all laws now existing or that hereafter may be enacted providing for (i) any appraisal before sale of any portion of the Property, (ii) in any way extending the time for the



enforcement of the collection of the Obligations, and (iii) any rights to healing prior to the exercise by Trustee or the Collateral Agent of any right, power, or remedy herein provided to Trustee or Collateral Agent.

To the full extent Grantor may do so, Grantor agrees that Grantor will not at any time insist upon, plead, claim or seek to take the benefit or advantage of any law now or hereafter in force providing for any exemption (including homestead exemption), appraisement, valuation, stay, extension or redemption, and Grantor for itself and its representatives, successors and assigns, and for any and all persons claiming any interest in the Property, to the extent permitted by law, hereby waives and releases all rights of valuation, appraisement, redemption, stay of execution, the benefit of all exemption laws, notice of election to mature or declare due the whole of the secured indebtedness and marshalling in the event of foreclosure of the liens hereby created. Grantor further waives any and all notices, including, without limitation, notice of intention to accelerate and of acceleration of the Obligations.

Payments by Collateral Agent. In the event of default in the timely payment or performance of any of the Obligations, Collateral Agent may, at its option, without any duty on its part to determine the validity or necessity thereof, pay the sums for which Grantor is obligated. Further, Collateral Agent may pay such sums as Collateral Agent deems appropriate for the protection and maintenance of the Property, including, without limitation, sums to pay Impositions and other levies, assessments or liens, maintain insurance, make repairs, secure the Property, maintain utility service, intervene in any condemnation, make advances under a construction loan to enable completion of construction and pay attorneys' fees and other fees and costs to enforce this Deed or protect the lien hereof (including foreclosure) or collect the Obligations, without limitation, including those incurred in any proceeding, including any insolvency, bankruptcy or similar proceeding or arbitration. Amounts so paid shall bear interest at the maximum rate provided to be payable by the Borrower on amounts in default under any of the Credit Documents.

Assignment of Rents. Grantor hereby absolutely assigns and transfers to Collateral Agent and the Secured Parties, and their successors and assigns acting in such capacity, all the leases, and rents of the Property (collectively, "Rents"). Although this assignment is effective immediately, so long as no Event of Default has occurred and is continuing, Collateral Agent gives to and confers upon Grantor the privilege under a revocable license to collect as they become due, but not prior to accrual, the Rents and to demand, receive and enforce payment, give receipts, releases and satisfactions, and sue in the name of Grantor for all such Rents. Grantor represents there has been no prior assignment of leases or Rents which are currently in effect, and agrees not to further assign such leases or Rents. Upon any occurrence and during the continuance of any Event of Default, the license granted to Grantor herein shall be automatically revoked without further notice to or demand upon Grantor, and Collateral Agent shall have the right, in its discretion, without notice, by agent or by a receiver appointed by a court, and without regard to the adequacy of any security for the Obligations, (i) to enter upon and take possession of the Property, (ii) notify subtenants and any property manager to pay Rents to Collateral Agent or its designee, and upon receipt of such notice such persons are authorized and directed to make payment as specified in the notice and disregard any contrary direction or instruction by Grantor, and (iii) in its own name, sue for or otherwise collect Rents including those past due, and apply



Rents, less costs and expenses of operation and collection, including attorneys' fees, to the Obligations in such order and manner as provided for in the Credit Documents, subject to the Collateral Agency and Intercreditor Agreement. Collateral Agent's exercise of any one or more of the foregoing rights shall not cure or waive any Event of Default or notice of Event of Default hereunder.

Remedies of Collateral Agent on Default. Any Event of Default, or any default or event of default under the Guarantee or any Credit Document, shall constitute an Event of Default hereunder. Upon the occurrence and during the continuance of an Event of Default, in addition to all of the Collateral Agent's and other Secured Parties' rights and remedies provided for in the Credit Documents and other Security Documents, Collateral Agent may (or the Trustee may if required by law), at Collateral Agent's election exercise any or all of the following rights, remedies and recourses:

(a) *Acceleration.* Subject to any provisions of the Credit Documents providing for the automatic acceleration of the Obligations upon the occurrence of certain Events of Default, declare the Obligations to be immediately due and payable, without further notice, presentment, protest, notice of intent to accelerate, notice of acceleration, demand or action of any nature whatsoever (each of which hereby is expressly waived by Grantor), whereupon the same shall become immediately due and payable.

(b) *Entry on Property Conveyed.* Enter the Property and take exclusive possession thereof and of all books, records and accounts relating thereto or located thereon. If Grantor remains in possession of the Property following the occurrence and during the continuance of an Event of Default and without Collateral Agent's prior written consent, Collateral Agent may invoke any legal remedies to dispossess Grantor.

(c) *Operation of Property Conveyed.* Hold, lease, develop, manage, operate or otherwise use the Property upon such terms and conditions as Collateral Agent may deem reasonable under the circumstances (making such repairs, alterations, additions and improvements and taking other actions, from time to time, as Collateral Agent deems necessary or desirable), and apply all Rents and other amounts collected in connection therewith in accordance with the provisions of the Credit Documents, subject to the Collateral Agency and Intercreditor Agreement.

(d) *Foreclosure and Sale.* If an Event of Default occurs and remains uncured, Collateral Agent may do any one or more of the following:

(i) enter upon and take possession of the Property without the appointment of a receiver, or an application therefor, employ a managing agent of the Property and let the same, either in its own name, or in the name of Grantor, and receive the Rents of the Property and apply the same, after payment of all necessary charges and expenses, on account of the Obligations, and Grantor will transfer and assign to Collateral Agent (or Trustee if required by law), in form



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satisfactory to Collateral Agent, Grantor's lessor interest in any lease now or hereafter affecting the whole or any part of the Property;

(ii) pay any sum in any form or manner deemed expedient by Collateral Agent to maintain or operate the Property, or to protect the security of this instrument or to cure any event of default other than payment of interest or principal on the Obligations; make any payment hereby authorized to be made according to any bill, statement or estimate furnished or procured from the appropriate public officer or the party claiming payment without inquiry into the accuracy or validity thereof, and the receipt of any such public officer or party in the hands of Collateral Agent shall be conclusive evidence of the validity and amount of items so paid, in which event the amounts so paid, with interest thereon from the date of such payment at the highest rate of interest provided for under the Credit Documents to be payable by the Borrower following an Event of Default shall be added to and become a part of the Obligations and be immediately due and payable to Collateral Agent; and Collateral Agent (or Trustee, as the case may be) shall be subrogated to any encumbrance, lien, claim or demand, and to all the rights and securities for the payment thereof paid or discharged with the principal sum secured hereby or by Collateral Agent under the provisions hereof and any such subrogation rights shall be additional and cumulative security to this instrument;

(iii) sell and dispose all or any portion of the Property at public auction, at the usual place for conducting sales at the courthouse in the county where the Property or any part thereof may be, to the highest bidder for cash, first advertising the time, terms and place of such sale by notice in accordance with applicable law; and Trustee may thereupon execute and deliver to the purchaser at said sale a sufficient conveyance of the Property in fee simple (or to the extent of the Company's leasehold or other interest therein, as applicable), which conveyance may contain recitals as to the happening of the default upon which the execution of the power of sale, herein granted, depends, and said recitals shall be presumptive evidence that all preliminary acts prerequisite to said sale and deed were in all things duly complied with; and Collateral Agent or any Secured Party therein, agents, representatives, successors or assigns, may bid and purchase at such sale; and Grantor hereby constitutes and appoints Collateral Agent and/or Trustee or their assigns as its agent and attorney in fact to make such recitals, sale and conveyance, and all of the acts of such attorney in fact are hereby ratified, and Grantor agrees that such recitals shall be binding and conclusive upon Grantor and that the conveyance to be made by Collateral Agent and/or Trustee, or their assigns, (and in the event of a conveyance through agreement in lieu of foreclosure, then as to such conveyance) shall be effectual to bar all right, title and interest, equity of redemption, including all statutory redemption, homestead, dower, courtesy and all other exemptions of Grantor, or its successors in interest, in and to said Property; and Collateral Agent and/or Trustee, or their assigns, and thereafter the other Secured Parties, shall collect the proceeds of such sale, and apply such proceeds in accordance with the terms of the Collateral Agency and



Intercreditor Agreement and the applicable Credit Documents; and Grantor agrees that possession of the Property until the cancellation of this Deed in accordance with and subject to the terms hereof, or any person claiming under Grantor, shall be that of tenant under Collateral Agent, or its assigns, and, in case of a sale, as herein provided, Grantor or any person in possession under Grantor shall then become and be tenants holding over, and shall forthwith deliver possession to the purchaser at such sale, or be summarily dispossessed in accordance with the provisions of law applicable to tenants holding over; the power and agency hereby granted are coupled with an interest and are irrevocable until the cancellation of this Deed in accordance with and subject to the terms hereof, and are in addition to any and all other remedies which Collateral Agent (or Trustee if required by law) may have at law or in equity.

(e) *Receiver.* Make application to a court of competent jurisdiction for, and obtain from such court as a matter of strict right and without notice to Grantor or regard to the adequacy of the Property for the repayment of the Obligations, the appointment of a receiver of the Property, and Grantor irrevocably consents to such appointment. Any such receiver shall have all the usual powers and duties of receivers in similar cases, including the full power to rent, maintain and otherwise operate the Property upon such terms as may be approved by the court, and shall apply such Rents as it may determine, subject to and in accordance with the provisions of the Collateral Agency and Intercreditor Agreement.

(f) *Other.* Exercise all other rights, remedies and recourses granted under the Credit Documents or otherwise available at law or in equity.

Covenants as to Leasehold Interest. The Company shall (i) pay all Rents required to be paid by Company as lessee under and pursuant to the provisions of the Lease, (ii) diligently perform and observe all of the terms, covenants and conditions of the Lease on the part of the Company, as lessee thereunder, to be performed and observed, unless such performance or observance shall be waived or not required in writing by the lessor under the Lease, to the end that all things shall be done which are necessary to keep unimpaired the rights of the Company, as lessee, under the Lease, and (iii) promptly notify Collateral Agent of the giving of any notice by the Owner as lessor under the Lease to the Company of any default by the Company in the performance or observance of any of the terms, covenants or conditions of the Lease on the part of the Company, as lessee thereunder, to be performed or observed and deliver to Collateral Agent a true copy of each such notice. The Company shall not, without the prior consent of Collateral Agent, surrender the leasehold estate created by the Lease or terminate or cancel the Lease or materially modify, change, supplement, alter or amend the Lease, in any respect, either orally or in writing, and the Company hereby assigns to Collateral Agent, as further security for the payment of the obligations and for the performance and observance of the terms, covenants and conditions of this Deed, all of the rights, privileges and prerogatives of the Company, as lessee under the Lease, to surrender the leasehold estates created by the Lease or to terminate, cancel modify, change, supplement, alter or amend the Lease, and any such surrender of the leasehold estate created by the Lease or termination, cancellation, modification, change, supplement, alteration or amendment of the Lease without the prior consent of Collateral Agent



shall be void and of no force and effect. If the Company shall default in the performance or observance of any term, covenant or condition of the Lease on the part of the Company, as lessee thereunder, to be performed or observed then, without limiting the generality of the other provisions of this Deed, and without waiving or releasing the Company from any of its obligations hereunder, Collateral Agent shall have the right, but not the obligation, to pay any sums and to perform any act or take any action as may be appropriate to cause all of the terms, covenants and conditions of the Lease on the part of the Company, as lessee thereunder to be performed or observed to be promptly performed or observed on behalf of the Company, to the end that the rights of the Company in, to and under the Lease shall be kept unimpaired and free from default. If Collateral Agent shall make any payment or perform any act or take action in accordance with the preceding sentence, Collateral Agent will notify the Company of the making of any such payment, the performance of any such act or the taking of any such action. In any such event, Collateral Agent and any person designated by Collateral Agent shall have, and are hereby granted the right to enter upon the Property at any time and from time to time for the purpose of taking any such action. If the Owner, as lessor under the Lease shall deliver to Collateral Agent a copy of any notice of default sent by the Owner to the Company, as lessee under the Lease, such notice shall constitute full protection to Collateral Agent and/or Trustee for any action taken or omitted to be taken by Collateral Agent and/or Trustee, in good faith, in reliance thereon. The Company agrees to deliver, from time to time, upon request by the Collateral Agent such certificates of estoppel with respect to compliance by the Company with the terms of the Lease.

No Merger of Estates. So long as any portion of the Obligations secured by this Deed shall remain unpaid, unless Collateral Agent shall otherwise consent, the fee title to the real estate respecting the Property and the leasehold estate therein created pursuant to the provisions of the Lease shall not merge, but shall always be kept separate and distinct, notwithstanding the union of such estates in Grantor or in any other person, by purchase, operation of law or otherwise. If Collateral Agent shall acquire the fee title to the Property and the leasehold estate therein created pursuant to the provisions of the Lease, by foreclosure of this Deed or otherwise, such estates shall not merge as a result of such acquisition and shall remain separate and distinct for all purposes after such acquisition unless and until Collateral Agent shall elect to merge such estates.

Miscellaneous Provisions. Grantor agrees to the following:

(i) All remedies available to Collateral Agent and/or Trustee with respect to this Deed or available at law or in equity or otherwise granted to the Collateral Agent or Trustee shall be cumulative and may be pursued concurrently or successively. No delay by Collateral Agent and/or Trustee in exercising any remedy shall operate as a waiver of that remedy or of any Event of Default. Any payment by Collateral Agent or acceptance by Collateral Agent of any partial payment shall not constitute a waiver by Collateral Agent of any Event of Default.

(ii) The provisions hereof shall be binding upon and inure to the benefit of Grantor, its heirs, personal representatives, successors and assigns including, without limitation, subsequent owners or assigns of the Property or any part thereof, and shall be



binding upon and inure to the Trustee for the benefit of Collateral Agent and the Secured Parties, and their successors and assigns acting in such capacity.

(iii) Any notices, demands or requests shall be sufficiently given to Grantor if in writing and mailed or delivered to the address of Grantor shown above or to another address as provided herein and to Collateral Agent if in writing and mailed or delivered to the Collateral Agent at the address of the Collateral Agent shown above or such other address as Collateral Agent may specify from time to time, and to Trustee if in writing and mailed or delivered to the address of Trustee shown above. In the event that Grantor changes Grantor's address at any time prior to the date this Deed is cancelled, that party shall promptly give written notice of such change of address by registered or certified mail, return receipt requested, all charges prepaid.

(iv) This Deed may not be changed, terminated or modified orally or in any manner other than by an instrument in writing signed by the parties hereto.

(v) The captions or headings at the beginning of each paragraph hereof are for the convenience of the parties and are not a part of this Deed.

(vi) If the lien of this Deed is invalid or unenforceable as to any part of the Obligations, the unsecured portion of the Obligations shall be completely paid (and all payments made shall be deemed to have first been applied to payment of the unsecured portion of the Obligations) prior to payment of the secured portion of the Obligations and if any clause, provision or obligation hereunder is determined invalid or unenforceable the remainder of this Deed shall be construed and enforced as if such clause, provision or obligation had not been contained herein.

(vii) This Deed shall be governed by and construed under the laws of the jurisdiction where this Deed is recorded.

(viii) Grantor by execution and Collateral Agent by acceptance of this Deed agree to be bound by the terms and provisions hereof.

(ix) In the event the validity and effectiveness of the grant and conveyance (the "Grant") of the Property hereunder is dependent upon obtaining the consent, approval or waiver of a third person (including the Owner or the lessor under the Lease, as applicable), or the Grant would give rise to a default under the Lease or would otherwise entitle the Owner or lessor of the Land under the Lease to terminate the Lease, the Grant of any such Property shall not be effective until the applicable consent, approval or waiver is obtained or is no longer necessary for the purposes of the validity and effectiveness of the Grant or to prevent a default under the Lease, whereupon the Grant shall immediately become effective with respect to any such Property. Until such consent, approval or waiver is obtained, or the same is no longer necessary, the Grantor shall (subject to the other terms hereof) stand possessed of such Property upon trust to Grant the same to the Trustee, forthwith upon obtaining such consent, waiver or approval or upon the same no longer being necessary.



Final Agreement. This Agreement, any guarantee by the Grantor in respect of the Secured Obligations, including without limitation the Guarantee, the Collateral Agency and Intercreditor Agreement and any other Credit Documents between the parties represent the final agreement between the parties with respect to the matters set forth herein and may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of the parties. There are no unwritten oral agreements between the parties.

Waiver of Jury Trial. TO THE EXTENT PERMITTED BY APPLICABLE LAW, GRANTOR BY EXECUTION HEREOF AND COLLATERAL AGENT BY ACCEPTANCE HEREOF, KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY RIGHT THEY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED ON, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS DEED, THE CREDIT DOCUMENTS, THE COLLATERAL AGENCY AND INTERCREDITOR AGREEMENT OR ANY AGREEMENT CONTEMPLATED TO BE EXECUTED IN CONNECTION WITH THIS DEED, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY WITH RESPECT HERETO. THIS PROVISION IS A MATERIAL INDUCEMENT TO COLLATERAL AGENT TO ACCEPT THIS DEED.

Environmental Indemnity. The Grantor agrees to defend, indemnify and hold the Trustee and the Collateral Agent harmless from and against any and all costs, penalties, damages, expenses, and/or liabilities (including reasonable attorneys' fees) which Collateral Agent may suffer as a result of a claim, suit, or action regarding the existence (or claimed existence) on or under the Property of any Hazardous Material (whether caused by the Grantor or any other party except the Collateral Agent), and/or regarding the removal, remediation and clean-up of same.

Acceptance of Trust; Powers and Duties of Trustee. The Trustee accepts this trust and it shall be deemed delivered when this Deed is executed. From time to time, upon written request of Collateral Agent and, to the extent required by applicable law, presentation of this Deed for endorsement, and without affecting the personal liability of any person or party for payment of any indebtedness or performance of any of the Obligations, Collateral Agent, or Trustee at Collateral Agent's direction, may, without obligation to do so or liability therefor and without notice: (a) re-convey all or any part of the Property from the lien of this Deed; and (b) join in any grant of easement or declaration of covenants and restrictions with respect to the Property, or any extension agreement or any agreement subordinating the lien or charge of this Deed. Trustee or Collateral Agent may from time to time apply to any court of competent jurisdiction for aid and direction in the execution of the trusts and the enforcement of its rights and remedies available under this Deed, and may obtain orders or decrees directing, confirming or approving acts in the execution of said trusts and the enforcement of said rights and remedies. Trustee has no obligation to notify any party of any pending sale or any action or proceeding (including, but not limited to, actions in which Grantor, Collateral Agent or Trustee shall be a party) unless held or commenced and maintained by Trustee under this Deed. Trustee shall not be obligated to perform any act required of it under this Deed unless the performance of the act is requested in writing and Trustee is reasonably indemnified against all losses, costs, liabilities and expenses in connection therewith.

Successor Trustee. The Collateral Agent may, at any time, by instrument in writing, appoint a successor or successors to, or discharge and appoint a new Trustee in the place of, any



Trustee named herein or acting hereunder, which instrument, executed and acknowledged by the Trustee, and recorded in the office of the recorder of the county wherein the Property is situated, shall be conclusive proof of the proper substitution of such successor or successors or new Trustee, who shall have all the estate powers, duties, rights and privileges of the predecessor Trustee. Any oath or bond by the Trustee is hereby waived.

State Specific Provisions. Nothing in this Deed shall limit the obligations of the Grantor or United Farmers of Alberta Co-Operative Limited, or the rights and remedies of any Secured Party, under any Credit Document, or the rights and remedies of the Secured Parties thereunder or otherwise available at law.

The Property is not being used for agricultural purposes.

[Signature pages immediately follow]



201003100059

Skagit County Auditor

IN WITNESS WHEREOF, Grantor has signed and sealed this instrument as of the day and year first above written.

UFA HOLDINGS, INC., a Utah corporation

By: _____

Name: _____

Title: _____


JOHN STEEN
CHIEF FINANCIAL OFFICER

Signed, sealed and delivered in presence of:


Unofficial witness


Notary Public

My Commission Expires: Does not expire

(NOTARIAL SEAL)

Elizabeth H. Burton
Barrister and Solicitor



201003100059
Skagit County Auditor

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PROVINCE OF ALBERTA)

CITY OF CALGARY)

I certify that I know or have satisfactory evidence that John Steen is the person who appeared before me, and the said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as Chief Financial Officer of UFA Holdings, Inc. to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: November 23, 2009



Notary Public
(Barrister and Solicitor)

Printed Name:

Elizabeth Burton

Residing at:

Calgary, Alberta

My appointment expires:

Does not expire

(pursuant to section 3 of
attached *Notaries Public Act*
(Alberta) notary public for
Alberta by virtue of membership
in the Law Society of Alberta
rather than by appointment)



201003100059

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NOTARIES PUBLIC ACT**Chapter N-6***Table of Contents*

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HER MAJESTY, by and with the advice and consent of the Legislative Assembly of Alberta, enacts as follows:

Definition

1 In this Act, "Minister" means the Minister determined under section 16 of the *Government Organization Act* as the Minister responsible for this Act.

RSA 2000 cN-11 s1

Appointment

2(1) The Minister may appoint notaries public for Alberta.

(2) The Minister shall not appoint as a notary public a person

(a) who is not a Canadian citizen actually residing in Alberta, or

(b) who is not lawfully admitted into Canada for permanent residence and actually residing in Alberta.

(3) An application under this section shall be accompanied with an affidavit of the applicant, in the form and containing the information prescribed by the regulations.

(4) The fee payable in respect of each appointment made under this section shall be in the amount prescribed by the regulations.

RSA 1980 cN-11 s1; 1985 c15 s27; 1989 c17 s20; 1994 cG-8.5 s89

Lawyers and students-at-law

3(1) A member of The Law Society of Alberta, other than an honorary member, is by virtue of that membership a notary public for Alberta.

(2) A person who is registered as a student-at-law under the *Legal Profession Act* is by virtue of that registration a notary public for Alberta.

http://www.qp.alberta.ca/574.cfm?page=N06.cfm&leg_type=Acts&isbncln=0779705386 11/16/2009



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(3) A member of The Law Society of Alberta and a person registered as a student-at-law under the *Legal Profession Act* are not entitled to exercise the powers of a notary public under this section while membership or registration is suspended.

RSA 1980 cN-11 s2;1990 cL-9.1 s141;1991 c21 s28

Judges

4 Every judge of the Provincial Court, master in chambers, judge of the Court of Queen's Bench and judge of the Court of Appeal is by virtue of that office a notary public for Alberta.

RSA 2000 cN-6 s4;RSA 2000 c16(Supp) s55;2008 c32 s22

Political representatives

5 A member of the Legislative Assembly of Alberta, a member from Alberta of the House of Commons of Canada or a member of the Senate of Canada who at the time of that appointment as a senator is a resident of Alberta is by virtue of that office a notary public for Alberta.

RSA 1980 cN-11 s4;1981 c7 s5;1983 c1-10.1 s57

Powers and rights of a notary public

6(1) A notary public may, during pleasure,

- (a) administer oaths and take affidavits, affirmations and declarations attested by the notary public's signature and seal,
- (b) draw, pass, keep and issue deeds, contracts, charter parties and other mercantile transactions in Alberta,
- (c) attest all commercial instruments that are brought before the notary public for public protestation,
- (d) exercise all the other powers that customarily pertain to the office of notary public, and
- (e) demand, receive, and have all the rights, profits and emoluments rightfully appertaining and belonging to the calling of notary public.

(2) Notwithstanding subsection (1), the appointment of a notary public may be made so that the powers of the notary public are limited to the following:

- (a) administering oaths and taking affidavits, affirmations and declarations attested by the notary public's signature and seal;
- (b) attesting all commercial instruments that are brought before the notary public for public protestation;
- (c) issuing certificates under the *Guarantees Acknowledgment Act*;
- (d) certifying copies of documents as being true copies.

(3) When a notary public administers oaths or takes affidavits, affirmations or declarations within Alberta for use within Alberta it is not necessary to their validity that the notary public affix the notary public's seal to them.

RSA 1980 cN-11 s5;1991 c21 s28

Termination of appointment

7(1) An appointment under this Act terminates at the expiration of 2 years from December 31 of the year in which the appointment was made, unless it is sooner revoked.

(2) Any appointment previously made under this Act by commission of the Lieutenant Governor in Council may be revoked by the Minister.

RSA 1980 cN-11 s6;1994 cG-8.5 s89



Name and expiry date

8(1) A notary public shall, on each affidavit, affirmation, declaration or acknowledgement taken or given by the notary public, each instrument attested by the notary public's seal and each notarial certificate given by the notary public, legibly print or stamp in legible printing

- (a) the notary public's name, and
- (b) if the notary public was appointed under section 2, the date on which the notary public's appointment terminates.

(2) A notary public who contravenes this section is guilty of an offence and liable to a fine of not more than \$100.

RSA 1980 cN-11 s7;1981 c7 s5

Prohibitions

9(1) No person shall

- (a) administer an oath or take an affidavit, affirmation or declaration attested by the person's signature and seal,
- (b) hold out or represent the person to be a notary public,
- (c) attest a commercial instrument that is brought before the person for public protestation, or
- (d) demand, receive or have a right, profit or emolument rightfully appertaining or belonging to the calling of a notary public,

unless the person is a notary public authorized under this Act and that authorization has not expired, been suspended or revoked or the person is authorized to exercise that power by any other law in force in Alberta.

(2) A person who contravenes this section is guilty of an offence and liable to a fine of not more than \$500.

RSA 1980 cN-11 s8;1997 c18 s19

Regulations

10 The Lieutenant Governor in Council may make regulations

- (a) governing the form and substance of affidavits, and
- (b) prescribing the fee payable for appointments,

under section 2.

RSA 1980 cN-11 s9

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EXHIBIT A

Attached to and made a part of that Deed of Trust, Assignment of Rents and Security Agreement dated October 30, 2009 from UFA Holdings, Inc. to Chicago Title Insurance Company, Island Division, acting as the Trustee for the benefit of the Collateral Agent on behalf of the Secured Parties, as those capitalized terms are defined therein.

LEGAL DESCRIPTION OF THE REAL ESTATE RESPECTING THE PROPERTY

PARCEL I OF SPORTSMAN'S PLAZA BINDING SITE PLAN, RECORDED JANUARY 13, 2006 UNDER RECORDING NUMBER 200601130002, RECORDS OF SKAGIT COUNTY, WASHINGTON.



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Skagit County Auditor

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