

AFTER RECORDING MAIL TO:

Garth A. Schlemlein
Schlemlein Fick & Franklin, PLLC
Attention: Garth A. Schlemlein
66 S. Hanford Street, Suite 300
Seattle, WA 98134

DEED OF TRUST

GNW 21-12234

THIS DEED OF TRUST (collectively "Deed of Trust" or "Deed") made this 19th day of July 2021 between White Pass Investments, LLC, a Washington limited liability company, whose address is 1215 S. State Route 9, Sedro Woolley, Washington 98284-2511 ("Grantor") and FIRST AMERICAN TITLE INSURANCE COMPANY Trustee, whose address is 10500 NE 8th Street, Suite 600, Bellevue, WA 98004 in trust for Coogan Alaska LLC, an Alaska limited liability company, and/or its successors and assigns at PO Box 34499, Juneau, Alaska, 99803.

WITNESSETH: Grantor hereby bargains, sells, assigns and conveys:

A. To Trustee in trust, with power of sale, the following described real property ("Property") in Skagit, Washington, described as:

See Exhibit "A" attached hereto and incorporated by this reference

which real property is not used principally for agricultural or farming purposes, together with all rents, income, contract rights, issues and profits which are due or may become due, all tenements, hereditament, and appurtenances now or hereafter thereunto belonging or in any wise appertaining, and the rents, issues and profits thereof, all amounts, compensation and settlements in lieu of taking of the Property by the power of eminent domain of the whole or the part of the Property.

B. To Beneficiary, as secured party, a security interest in any portion of the Real Property owned by Grantor which may be construed to be personal property and in all other Section 25, Township 35 North, Range 4 East - NW NW (aka Lots 3-7 BLA Survey AF No. 202010120148) P77308,P135413,P135414,P37593,P37650
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personal property of every kind and description, whether now existing or hereafter acquired and owned by Grantor, now or at any time hereafter attached to, erected upon, situated in or upon, forming a part of or appurtenant to and which is used or useful in the construction or operation of or in connection with, or arising from the use or enjoyment of all or any portion of, or from any lease or agreement pertaining to, the Real Property.

This Deed of Trust is made in connection with a loan made by Lender to Grantor in the principal amount of \$1,358,579.00 (the "Loan"), which Loan is evidenced by a Secured Promissory Note of even date (as the same may be amended, supplemented, extended or replaced from time to time, the "Note"), made by Borrower in favor of Lender. The Note, this Deed of Trust and all other documents, instruments and agreements evidencing, securing, guaranteeing or otherwise governing the terms of the Loan, and any and all extensions, renewals, modifications, substitutions and amendments thereof are referred to, collectively, as the "Loan Documents."

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

1. To keep the property in good condition and repair consistent with the existing condition 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 defend any action or proceeding purported to affect the security thereof or the rights or power 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 foreclosure this Deed of Trust.
4. 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 attorneys' fees actually incurred, as provided by statute.
5. Should Grantor fail to pay when due any taxes, assessments, insurance premiums, liens, encumbrances or other charges against the property hereinabove described, Beneficiary may pay the same, and the amount so paid, with interest at the rate set for in the note secured hereby, shall be added to and become a part of the debt secured by this Deed of Trust.

IT IS MUTUALLY AGREED THAT:

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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 thereof as may be necessary to fully satisfy the obligation secured hereby, shall be paid to Beneficiary to be applied to said obligation.

2. That this Deed of Trust secures real property that is not principally used for agricultural purposes.

3. By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive its right to require prompt payment when due of all other sums so secured or to declare default for failure to so pay.

4 **Insurance.**

4.1 **Coverages Required.** Grantor will at its sole cost and expense keep the following insurance coverages in effect with respect to the Collateral by an insurance company chosen by Grantor, subject to Lender's approval, which will not be unreasonably withheld:

(i) Property and fire insurance (with extended coverage endorsement including malicious mischief, vandalism, and damage from windstorm or hail) in an amount not less than the full replacement value of the Collateral (with a deductible not to exceed \$10,000.00), naming Lender as mortgagee under the policy and as loss payee under a lender's loss payee endorsement and including agreed amount (where applicable), equipment breakdown (where applicable), Law and Ordinance (where applicable) and a "replacement cost endorsement" without deduction for depreciation.

(ii) Earthquake insurance in the maximum amount of insurance coverage available or the full replacement cost of all Improvements on the Land, whichever is less.

(iii) Flood risk insurance in the maximum amount of insurance coverage available or the full replacement cost of all Improvements on the Land, whichever is less, if the Land is now or hereafter designated as being located within a special flood hazard area under the Flood Disaster Protection Act of 1973 and if flood insurance is available.

(iv) For rental properties, loss of rental value insurance and/or business interruption insurance, which will compensate for lost income and continuing expenses after any interruption, as follows: If all or any portion of the Collateral is rented or leased, loss of rental value insurance in an amount equal to twelve (12) months' aggregate gross rents from the Collateral as is so occupied. If all or any portion of the Collateral is occupied by Grantor, business interruption insurance in an amount equal to twelve (12)

months' net income from such portion of the Collateral as is so occupied. The amount(s) of such coverage(s) shall be subject to adjustment, from time to time at Lender's request, to reflect changes in the rental and/or income levels during the term of the Loan.

(v) Comprehensive commercial general liability insurance in an amount not less than Five Million Dollars (\$2,000,000.00) combined single-limit liability coverage per occurrence, or in such greater amounts(s) as Lender may reasonably require, insuring against personal injury, death and property damage (including coverage for elevators and escalators, if any, on the Collateral), Products/Completed Operations, Contractual Liability, Personal Injury and Advertising Injury coverage in the minimum amount of \$1,000,000 per occurrence, \$2,000,000 Products/Completed Operations Aggregate, \$2,000,000 General Aggregate, and naming Lender as additional insured.

4.2 Policies. All of the insurance policies required hereunder shall be issued by corporate insurers licensed to do business in the state in which the Collateral is located and having a Best's Rating-Financial Size Rating of A-VIII or better as determined and published by A.M. Best Company, and shall be on a special form equivalent to ISO standard or in a form acceptable to Lender. All property and casualty policies shall contain a waiver of subrogation in favor of the Lender, and shall not contain a terrorism exclusion or coinsurance. Certificates of all insurance required to be maintained hereunder shall be delivered to Lender prior to or contemporaneously with Grantor's execution of this Deed of Trust. All such certificates shall be in form acceptable to Lender, shall name Lender as an additional insured, or Mortgagee and Loss Payee, as applicable, and shall require the insurance company to give to Lender at least thirty (30) days prior written notice before a cancellation or non-renewal of the policy for any reason or materially amending it, or a reduction of coverage. Certificates evidencing all renewal and substitute policies of insurance shall be delivered to Lender at least fifteen (15) days before termination of the policies being renewed or substituted. Actual policies shall be provided to the Lender upon request. If any loss shall occur at any time while an Event of Default shall have occurred and shall be continuing hereunder, Lender shall be entitled to the benefit of all insurance policies held or maintained by Grantor, to the same extent as if same had been made payable to Lender, and upon foreclosure hereunder, Lender shall become the owner thereof. Lender shall have the right, but not the obligation, to make premium payments, at Grantor's expense, to prevent any cancellation, endorsement, alteration or reissuance of any policy of insurance maintained by Grantor, and such payments shall be accepted by the insurer to prevent same. Without limiting the foregoing, if Grantor fails to procure and maintain any insurance required under this Deed of Trust, Lender may procure and maintain such insurance, at Grantor's expense, in the amounts provided above or in such lesser amounts as Lender may deem appropriate, in order to protect Lender's interest in the Collateral. Such insurance purchased by Lender may, but need not, protect Grantor's interest in the Collateral. Such insurance purchased by Lender

may not pay any claim that Grantor makes or any claim that is made against Grantor in connection with the Collateral. Grantor may later cancel any insurance purchased by Lender, but only after providing Lender with evidence acceptable to Lender that Grantor has obtained and paid for such insurance as required under this Deed of Trust. If Lender procures and maintains such insurance, Grantor shall be responsible for the costs of such insurance, including interest and any other charges that Lender may impose in connection with the placement of such insurance, until the effective date of the cancellation or expiration of such insurance. All such costs, interest and charges shall become immediately due and payable by Grantor and shall be secured by this Deed of Trust. Such costs may be more than the cost of insurance Grantor may be able to obtain on its own. Lender shall have the right, in its sole and absolute discretion, upon written notice, to require Grantor furnish to Lender a copy of any insurance policy required to be carried hereunder (including endorsements), and Grantor shall furnish the requested policy or policies and all applicable endorsements within thirty (30) days of such request.

4.3 Payment; Renewals. Grantor shall promptly furnish to Lender all renewal notices relating to insurance policies. At least thirty (30) days prior to the expiration date of each such policy, Grantor shall furnish to Lender a renewal policy in a form acceptable to Lender, together with evidence that the renewal premium has been paid.

4.4 Insurance Proceeds.

(i) In the event of any loss, Grantor will give prompt written notice thereof to the insurance carrier and Lender. Grantor hereby grants Lender a power of attorney, which power of attorney is coupled with an interest and is irrevocable, to make proof of loss, to adjust and compromise any claim, to commence, appear in and prosecute, in Lender's or Grantor's name, any action relating to any claim, and to collect and receive insurance proceeds; provided, however, that Lender shall have no obligation to do so. If no event of default has occurred and is continuing, the immediately preceding sentence shall apply except that Lender shall not be entitled to act as Grantor's attorney-in-fact and Grantor shall be entitled to participate jointly with Lender in adjusting and compromising any claim, and appearing in any proceeding.

(ii) Lender shall apply any insurance proceeds received hereunder first to the payment of the costs and expenses incurred in the collection of the proceeds and shall then apply the balance (the "*Net Proceeds*"), in its absolute discretion and without regard to the adequacy of its security, to:

(A) The payment of the Indebtedness secured hereby, whether then due and payable or not. Any such application of proceeds to principal on the Note shall be without the imposition of any prepayment fee otherwise payable under the Note, but shall not extend or postpone the due dates of the installment payments under the Note, or change the amounts thereof; or

(B) The reimbursement of Grantor, under Lender's prescribed disbursement control procedures, for the cost of restoration or repair of the Collateral. Lender may, at its option, condition the reimbursement on Lender's approval of the plans and specifications of the reconstruction, contractor's cost estimates, construction budget and schedule, architects' certificates, waivers of liens, sworn statements of mechanics and materialmen, and such other evidence of costs, percentage completion of construction, application of payments and satisfaction of liens as Lender may reasonably require.

(iii) In electing paragraph 4.4(ii)(B) above, each of the following conditions must be satisfied:

(A) No Event of Default has occurred and is continuing at the time the insurance proceeds are received;

(B) Grantor gives Lender written notice within thirty (30) days after the proceeds are received that it intends to restore or repair the Collateral and requests that the Net Proceeds be made available therefor, and Grantor thereafter promptly commences the restoration or repair and completes the same with reasonable diligence in accordance with plans and specifications approved by Lender, which approval shall not be unreasonably withheld;

(C) The Net Proceeds are sufficient, in Lender's reasonable business judgment, to restore or repair the Collateral substantially to its condition prior to the damage or destruction or, if in Lender's reasonable business judgment they are not, Grantor deposits with Lender funds in an amount equal to the deficiency, which funds Lender may, at its option, require be expended prior to use of the Net Proceeds; and

(D) Lender receives evidence reasonably satisfactory to Lender that the Collateral can lawfully be restored or repaired to its condition prior to the damage or destruction and that, upon completion of the restoration or repair, the Collateral can be operated substantially as it was before and will produce substantially as much income from tenant leases as it did before the damage or destruction.

(iv) Except to the extent, if any, that insurance proceeds are applied to payment of the Secured Obligations, nothing herein contained shall be deemed to excuse Grantor from restoring, repairing or maintaining the Collateral as provided in Section 2.4, regardless of whether there are insurance proceeds available or whether any such proceeds are sufficient in amount.

4.5 Transfer of Title. If the Collateral is sold or if Lender otherwise acquires title to the Collateral, Lender shall have all of the right, title and interest of Grantor in and to any insurance policies and unearned premiums thereon and in and to the proceeds resulting from any damage to the Collateral prior to such sale or acquisition

5. The Trustees shall reconvey all or any part of the property covered by the Deed of Trust to the person entitled thereto on written request of the Grantor and the

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Beneficiary, or upon satisfaction of the obligation secured and written request for reconveyance made by the Beneficiary or the person entitled thereto.

6. Upon default by Grantor in 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 in the option of the Beneficiary. In such event and upon written request of the Beneficiary, Trustee or its authorized agent shall sell the trust property, in accordance with the Deed of Trust Act of the State of Washington, at public auction to the highest bidder. Any person except Trustee may bid at Trustee's sale. Trustee shall apply the proceeds of the sale as follows: (1) to the expense of sale, including a reasonable Trustee's fee and attorneys' fee; (2) to the obligation secured by this Deed of Trust; (3) the surplus, if any, shall be distributed to the persons entitled thereto.

7. Trustee shall delivery to the purchaser at the sale of the 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 purchasers and encumbrances for value.

8. 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.

9. In the event of the death, incapacity or disability or resignation of Trustee, Beneficiary shall 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.

10. If foreclosure be made by Trustee, to the extent allowed by law, reasonable attorneys' fees for services in the supervision of foreclosure proceedings shall be allowed by Trustee as part of the costs of foreclosure. After deducting all costs, fees and expenses of Trustee and of this Deed of Trust, including cost of evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment of all sums expended under the terms hereof, not then repaid, with accrued interest at the Default Rate as herein provided; all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto.

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4. If Beneficiary refers the Note to an attorney for collection or seeks legal advice following a default alleged in good faith under the Note; if Beneficiary is the prevailing party in any litigation instituted in connection with the Note; or if Beneficiary or any other person initiates any judicial or nonjudicial action, suit or proceeding in connection with the Note, the indebtedness evidenced thereby or the security therefor (including, but not limited to, an action to recover possession of the Property after foreclosure), and an attorney is employed by Beneficiary to (a) appear in any such action, suit or proceeding, or (b) reclaim, seek relief from a judicial or statutory stay, Grantor shall pay to Beneficiary all attorneys fees and costs incurred in connection with the above-mentioned events and any appeals related to such events, including but not limited to costs incurred in searching records, the cost of title reports, the cost of appraisals, and the cost of environmental surveys. If not paid within ten (10) days after such fees, costs and expenses become due and written demand for payment is made upon Grantor, such amount may, at Beneficiary's option, be added to the principal of the Note and shall bear interest at the Default Rate.

12. 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, successors, legal representatives and assigns. The term Beneficiary shall mean the holder and owner of the note secured hereby, whether or not named as a Beneficiary herein.

ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, EXTEND CREDIT OR FORBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.

Dated this 19 day of ~~February~~ July 2021

GRANTOR:

WHITE PASS INVESTMENTS, LLC

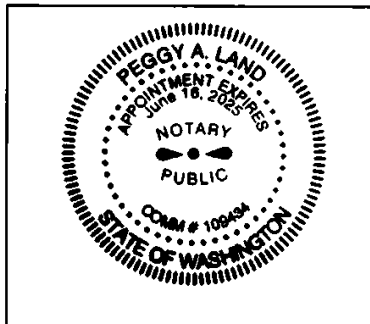
[Signature]
By: Jeff Hamilton
Its: Managing Member

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I have satisfactory evidence that the person appearing before me and making this acknowledgment is the person whose true signature appears on this document.

On this day personally appeared before me Jeff Hamilton known to me to be Managing Member of WHITE PASS INVESTMENTS, LLC, who is the individual who executed the within and foregoing instrument, and acknowledged that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 19 day of July, 2021.



(Use This Space for Notarial Seal Stamp)

[Signature]
Notary Public in and for the State of Washington,
residing at Stanwood
My commission expires: July 16, 2025
Peggy A Land
[Type or Print Notary Name]

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REQUEST FOR FULL RECONVEYANCE
(Do not record. To be used only when note has been paid.)

TO: TRUSTEE

The undersigned is the legal owner and holder of the note and all other indebtedness secured by the within Deed of Trust. Said note, together with all other indebtedness secured by said Deed of Trust, has been fully paid and satisfied; and you are hereby requested and directed, on payment to you of any sums owing to you under the terms of said Deed of Trust, to cancel said note above mentioned, and all other evidences of indebtedness secured by said Deed of Trust delivered to you herewith, together with the said Deed of Trust, and to convey, without warranty, to the parties designated by the terms of said Deed of Trust, all the estate now held by you thereunder.

Dated _____, 20____.

Mail reconveyance to: FIRST AMERICAN TITLE INSURANCE COMPANY Trustee,
whose address is 10500 NE 8th Street, Suite 600, Bellevue, WA 98004

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EXHIBIT "A"
LEGAL DESCRIPTION

LOT 3

LOT 3 AFTER as delineated and described on Boundary Line Adjustment Survey approved September 4, 2020 and recorded October 12, 2020 as Skagit County Auditor's File No. 202010120148; being a portion of Blocks 3 and 4 of the plat of "Susan Taylor Addition to Sedro-Woolley" as per plat recorded in Volume 6 of Plats, Page 43, records of Skagit County, and a portion of Northwest 1/4 of the Northwest 1/4 of Section 25, Township 35 North, Range 4 East, W.M.

Situate in Skagit County, Washington.

LOT 4

PARCEL B:

LOT 4 AFTER as delineated and described on Boundary Line Adjustment Survey approved September 4, 2020 and recorded October 12, 2020 as Skagit County Auditor's File No. 202010120148; being a portion of Blocks 3 and 4 of the plat of "Susan Taylor Addition to Sedro-Woolley" as per plat recorded in Volume 6 of Plats, Page 43, records of Skagit County, and a portion of Northwest 1/4 of the Northwest 1/4 of Section 25, Township 35 North, Range 4 East, W.M.

Situate in Skagit County, Washington.

LOT 5

LOT 5 AFTER as delineated and described on Boundary Line Adjustment Survey approved September 4, 2020 and recorded October 12, 2020 as Skagit County Auditor's File No. 202010120148; being a portion of Blocks 3 and 4 of the plat of "Susan Taylor Addition to Sedro-Woolley" as per plat recorded in Volume 6 of Plats, Page 43, records of Skagit County, and a portion of Northwest 1/4 of the Northwest 1/4 of Section 25, Township 35 North, Range 4 East, W.M.

Situate in Skagit County, Washington.

LOT 6

LOT 6 AFTER as delineated and described on Boundary Line Adjustment Survey approved September 4, 2020 and recorded October 12, 2020 as Skagit County Auditor's File No. 202010120148; being a portion of Blocks 3 and 4 of the plat of "Susan Taylor Addition to Sedro-Woolley" as per plat recorded in Volume 6 of Plats, Page 43, records of Skagit County, and a portion of Northwest 1/4 of the Northwest 1/4 of Section 25, Township 35 North, Range 4 East, W.M.

Situate in Skagit County, Washington.

LOT 7

LOT 7 AFTER as delineated and described on Boundary Line Adjustment Survey approved September 4, 2020 and recorded October 12, 2020 as Skagit County Auditor's File No. 202010120148; being a portion of Blocks 3 and 4 of the plat of "Susan Taylor Addition to Sedro-Woolley" as per plat recorded in Volume 6 of Plats, Page 43, records of Skagit County, and a portion of Northwest 1/4 of the Northwest 1/4 of Section 25, Township 35 North, Range 4 East, W.M.

Situate in Skagit County, Washington.