

Return Address:  
Northwest FC - FLCA  
P.O. Box 2515  
Spokane, WA 99220-2515

DOCUMENT: MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, FINANCING  
STATEMENT AND FIXTURE FILING

MORTGAGOR: U.S. GOLDEN EAGLE FARMS LP

MORTGAGEE: NORTHWEST FARM CREDIT SERVICES, FLCA

ABBREVIATED LEGAL DESCRIPTION: PTN. W/2 AND SW SE, 15-35-06, PTN. 16-35-06, PTN. N/2, 21-35-06, PTN. 22-35-06, SKAGIT COUNTY, WASHINGTON

ASSESSOR'S PROPERTY TAX PARCEL ACCOUNT NUMBER(S): P41308/350616-4-003-0004; P41744/350621-0-003-0005;  
P41745/350621-0-004-0004; P41245/350615-3-005-0005;  
P41254/350616-0-004-0001; P41255/350616-0-005-0000;  
P41262/350616-0-012-0001; P41270/350616-0-019-0004;  
P41306/350616-4-001-0006; P41307/350616-4-002-0005;  
P41312/350616-4-006-0001; P41313/350616-4-007-0000;  
P41314/350616-4-008-0009; P41746/350621-0-005-0003;  
P41799/350621-1-001-0005; P41801/350621-1-003-0003;  
P41829/350622-0-004-0003; P41830/350622-0-005-0002;  
P41851/350622-2-001-0002; P41852/350622-2-002-0001;  
P41853/350622-2-003-0000; P65622/3923-000-001-0007;  
P65623/3923-000-002-0006; P65625/3923-000-004-0004;  
P65626/3923-000-005-0003; P65627/3923-000-006-0002;  
P65657/3923-000-037-0005; P41253/350616-0-003-0002;  
P41277/350616-1-004-0009; P41309/350616-4-004-0003;  
P41310/350616-4-005-0002; P41743/350621-0-002-0006;  
P41750/350621-0-007-0001; P41782/350621-0-027-0007;  
P41800/350621-1-002-0004; P41230/350615-2-003-0009;  
P41238/350615-2-004-0008; P41239/350615-2-004-0107;  
P41250/350616-0-001-0004; P41267/350616-0-016-0007;  
P41268/350616-0-017-0006; P41269/350616-0-018-0005;  
P41825/350622-0-002-0039; P41828/350622-0-003-0020;  
P41850/350622-1-002-0029; P41240/350615-3-001-0009;  
P41241/350615-3-001-0108; P41242/350615-3-002-0008;  
P41243/350615-3-003-0007; P41244/350615-3-004-0006;  
P41246/350615-3-006-0004; P41247/350615-3-006-0103;  
P41847/350622-1-001-0004; P41249/350615-4-002-0006

CTIC file 620047004

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Mortgage  
(U.S. Golden Eagle Farms LP/Notes Nos. 6358373; 6358381)

**MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, FINANCING STATEMENT AND FIXTURE FILING**

NOTICE: THE SECURED OBLIGATIONS MAY PROVIDE FOR A VARIABLE INTEREST RATE.

This Mortgage, Assignment of Leases and Rents, Financing Statement and Fixture Filing (this "Mortgage") dated as of December 30, 2021, is executed by U.S. GOLDEN EAGLE FARMS LP, a Washington limited partnership ("Mortgagor"), whose address is 89 West Georgia Street, Vancouver, BC Canada, V6B 0N8, in favor of and for the benefit of NORTHWEST FARM CREDIT SERVICES, FLCA, a corporation organized and existing under the laws of the United States ("Mortgagee"), whose address is 2001 South Flint Road, Spokane, WA 99224-9198, P. O. Box 2515, Spokane, WA 99220-2515.

This conveyance is intended to secure performance of the covenants and agreements contained herein, and in any note(s), Membership Agreement, loan agreement, security documents and any other documents or instruments signed in connection with the note(s) and security documents and any amendments (collectively, the "Loan Documents"). Pursuant to the terms and conditions of the Loan Documents, Mortgagor has agreed to grant this Mortgage in favor of Mortgagee to provide security for the Secured Obligations described herein, the related Loan Documents and any and all other documents entered into pursuant thereto.

**1. GRANT OF SECURITY.**

Mortgagor, in consideration of the indebtedness secured by this Mortgage, irrevocably bargains, sells, grants, mortgages, transfers, conveys, assigns and warrants to Mortgagee, for the benefit and security of Mortgagee, all Mortgagor's existing and future rights, titles, interests, estates, powers and privileges in or to the following (collectively the "Collateral"):

**1.1 Property.** That certain real property located in Skagit County, State of Washington, more particularly described on Exhibit A attached hereto and incorporated herein (the "Land") and including the following:

a. All buildings, wells and other improvements now or hereafter located on the Land, including, but not limited to, the Fixtures (as defined below), timber, if applicable, and all other equipment, machinery, appliances and other articles attached to such buildings and other improvements (collectively the "Improvements");

b. All fixtures (including without limitation, goods that are or become so related to the Land that an interest in them arises under the real estate law) and any additions or replacements (collectively the "Fixtures") now or hereafter located on, attached to, installed in or used in connection with the Land;

c. All personal property, appliances, equipment and goods now or hereafter owned or possessed by Mortgagor located upon, in, or about or used in connection with said Land or Improvements, including the maintenance thereof, together with all increases, substitutes, replacements, proceeds and products thereof and additions and accessions thereto;

d. All rights, rights-of-way, easements, licenses, profits, claims, demands, privileges, grazing privileges, tenements, hereditaments and appurtenances now owned or hereafter acquired by Mortgagor and used in connection with the Land and the Improvements or as a means of access to either or both, including without limitation, all rights over the property of third persons which are related thereto and all unaccrued trespass and surface damage claims appurtenant thereto, and all written operations plans and all permits and approvals related to the Land and Improvements;

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e. All of Mortgagor's right, title and interest in and to any land within any right-of-way of any open or proposed street adjoining the Land, and any and all sidewalks, alleys, strips and gores of land adjacent to or used in connection with the Land and Improvements;

f. All of Mortgagor's existing and future rights in (including without limitation, royalty and leasehold rights) oil, gas and other mineral rights in or relating to the Land;

g. All existing and future leases and subleases relating to the Land and Improvements or any interest in them, including without limitation, all deposits, advance rentals and other similar payments, but not including the Rents, as defined and separately assigned herein;

h. All options to purchase, exchange or lease the Land, Fixtures or Improvements or any interest in them (and any greater estate in the Land, Fixtures or Improvements and acquired by exercise of such options);

i. All contracts and policies of insurance and proceeds thereof which may insure all or any portion of the Collateral against casualties and theft;

j. All Mortgagor's other existing or future estates, homestead or other claims or demands, both in law and in equity in the Land and Improvements, including without limitation, (i) all awards made for the partial or complete taking by eminent domain, or by any proceeding or purchase in lieu of eminent domain, of the Land or Improvements, and (ii) all proceeds, including general intangibles and payment intangibles, of any insurance covering any of the Collateral; and

k. All cash or non-cash proceeds of the sale, lease, license, exchange or other disposition of the Collateral, including accounts and general intangibles, arising therefrom. Proceeds include all subsidy payments, in cash or in kind, which may be made to Mortgagor by any person, entity or governmental agency, including but not limited to, payments and entitlements from state and federal farm programs, as well as any type of property insurance; and any rights arising out of Land or Improvements, collections and distributions on Land or Improvements.

**1.2 Water Assets.** All right, title, and interest at any time of Mortgagor (or any of its bailees, agents, or instrumentalities), whether now existing or hereafter arising or acquired, whether direct or indirect, whether owned legally, of record, equitably or beneficially, whether constituting real or personal property (or subject to any other characterizations), whether created or authorized under existing or future laws or regulations, and however arising in, without limitation, the water, water rights and other assets and items more specifically described hereinafter and used in connection with the Collateral (collectively the "Water Assets"). A description of some Water Assets may also be included with the description of the Land set forth above or in an exhibit hereto.

a. All water (including any water inventory in storage), water rights and entitlements, other rights to water and other rights to receive water or water rights of every kind or nature whatsoever and howsoever evidenced, including but not limited to the following: (i) the groundwater on, under, pumped from or otherwise available to the Land, whether as the result of groundwater rights, contractual rights or otherwise, together with Mortgagor's right to remove and extract any such groundwater including any permits, rights or licenses granted by any governmental authority or agency or any rights granted or created by any use, easement, covenant, agreement, or contract with any person or entity; (ii) any rights to which the Land is entitled with respect to surface water, whether such right is appropriative, riparian, prescriptive, decreed or otherwise and whether or not pursuant to permit or other governmental authorization, or the right to store any such water; (iii) any water, water right, water allocation, distribution right, delivery right, water storage right, or other water-related entitlement appurtenant or otherwise applicable to the Land by virtue of the Land being situated within the boundaries of any governmental district or agency, or within the boundaries of any private water company, mutual water company, irrigation company, ditch company or other non-governmental entity that owns, stores, diverts and/or delivers water including, any and all stock, interest or other rights Mortgagor has in such entity, including voting or decision rights, and any and all rights from any entity or other person to acquire, receive, exchange, sell, lease, or otherwise transfer any Water Assets, to store, deposit or otherwise create

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water credits in a water bank or similar or other arrangement for allocating water, to transport or deliver water, or otherwise to deal with any Water Asset; and (iv) all water and existing and future water rights, however evidenced, to the use of water for irrigation, livestock and domestic purposes. References to "water" and "water rights" are used herein in the broadest and most comprehensive sense of the terms. The term "water" includes water rights and rights to water or whatever rights to money, proceeds, property or other benefits are exchanged or received for or on account of any Water Assets or any conservation or other nonuse of water, including whatever rights are achieved by depositing one's share of any Water Assets in any water bank or with any water authority, or any other water reallocation rights;

b. All licenses, permits, approvals, contracts, decrees, rights and interests to acquire or appropriate any Water Assets, water bank or other credits evidencing any right to Water Assets, to store, carry, transport or deliver Water Assets, to sell, lease, exchange, or otherwise transfer any Water Asset, or to change the point for diversion of water, the location of any Water Asset, the place of use of any Water Asset, or the purpose of the use of any Water Asset;

c. All rights, claims, causes of action, judgments, awards, and other judicial, arbitral or administrative relief in any way relating to any Water Asset;

d. All storage and treatment rights for any Water Asset, whether on or off the Land or other property of Mortgagor, together with all storage tanks, and other equipment used or usable in connection with such storage and any water bank deposit credits, deposit accounts or other rights arising on account of the storage or nonuse of any Water Asset;

e. All irrigation and watering equipment, including all pumps, pumping plants, storage tanks, pump, motors, electrical generators (all of which are declared to be fixtures), and all systems, ditches, laterals, conduits, and rights-of-way used to convey water or to drain the Land, all of which rights are or are hereby made appurtenant to the Land;

f. All guaranties, warranties, marketing, management or service contracts, indemnity agreements, and water right agreements, including joint use agreements, other water related contracts and water reallocation rights, all insurance policies regarding or relating to any Water Asset; and

g. All rents, issues, profits, proceeds and other accounts, instruments, chattel paper, contract rights, general intangibles, deposit accounts and other rights to payment arising from or on account of any use, nonuse, sale, lease transfer or other disposition of any Water Asset.

## **2. REPRESENTATIONS AND WARRANTIES**

### **2.1 Representations and Warranties.** Mortgagor represents and warrants to Mortgagee as follows:

a. Mortgagor has represented and warranted to Mortgagee the location of Mortgagor's chief executive office; the state of its formation; Mortgagor's state of residence; and Mortgagor's exact legal name is as set forth herein;

b. Mortgagor is the sole legal and equitable owner of the Collateral;

c. Except as otherwise previously disclosed to Mortgagee, Mortgagor has the exclusive right to harvest any timber, if any, from the Land and has the exclusive right to use the appurtenant rights and the operating permits;

d. Without thereby limiting the generality of the foregoing, and except as otherwise previously disclosed to Mortgagee, Mortgagor has not assigned or granted any harvest or access rights or interests, or sold or leased any part of the Land or the Improvements, if any, to any other person (individual, organization or governmental unit);

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e. There are no claims, liens, encumbrances (including judgments, levies and the like), or security interest ("Liens") covering the Collateral or any part or item thereof except easements and reservations of record, that are listed on the title policy delivered by Mortgagor;

f. To the best of Mortgagor's knowledge, and other than have been disclosed to Mortgagee, there are no federal, state or local laws, regulations, rules or standards ("Laws"), or permits, orders, injunctions, citations, notices of civil penalty, restraining orders, judgments or the like issued by any governmental unit ("Orders") that are now in effect and that would restrict any material use of the Collateral;

g. Mortgagor has taken all actions necessary and has duly authorized this Mortgage and it is the legally valid and binding contract of Mortgagor, and is enforceable against Mortgagor in accordance with its terms; and

h. To the best of Mortgagor's knowledge, neither the execution of this Mortgage nor the payment and performance of the Secured Obligations will materially violate any Laws or Orders affecting Mortgagor or the Collateral or constitute a breach or Event of Default by Mortgagor under any agreement, contract, loan indenture, lease, instrument or like document to which Mortgagor is a party or the Collateral is bound.

The foregoing representations and warranties will survive and not be merged or otherwise eliminated by any conveyance, voluntarily or through foreclosure, of the Collateral to Mortgagee or its nominee. Mortgagor hereby agrees to indemnify, defend and hold harmless Mortgagee from and against any and all claims, loss, liability, damages, liens, penalties, costs and expenses of any nature or kind whatsoever arising from or related to any misstatement or omission of any material fact in the foregoing representations and warranties.

### 3. SECURED OBLIGATIONS

**3.1 Secured Obligations.** This Mortgage, and the lien it creates, is made for the purpose of securing the following obligations (collectively the "Secured Obligations"):

a. The full and punctual payment of the indebtedness evidenced by that certain note(s) described below, in favor of Mortgagee (the "Note(s)") with interest thereon at the rates therein provided which interest rate and payment terms may be adjusted as provided in the Note(s) and Loan Documents, together with any and all renewals, modifications, consolidations and extensions of the indebtedness evidenced by the Note(s), as well as any prepayment fees provided for in the Note(s) or as it may be amended to provide for such prepayment fees;

Note No.	Date of Note	Principal Amount	Final Installment Date
6358373	December 30, 2021	\$24,983,000.00	June 1, 2026
6358381	December 30, 2021	\$15,099,000.00	June 1, 2026

b. Payment and performance of the obligations under the Note(s) and Loan Documents (including future advances) and under any and all other present and future agreements executed in relation to the Note(s);

c. Payment of such additional sums with interest thereon as may be due to Mortgagee under any provisions of this Mortgage;

d. Payment of all indebtedness and performance of all other obligations which the then record owner of the Collateral may agree to pay and perform for the benefit of Mortgagee, and which are contained in a document which recites that it is secured by this Mortgage;

e. Payment of all amounts advanced by (or on behalf of) Mortgagee to improve, protect or preserve the Collateral or the security of this Mortgage, with interest on such amounts as provided in this Mortgage;

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f. Payment and performance of all amendments, modifications, extensions, renewals and replacements of any of the foregoing; and

g. Payment of charges as allowed by law, when such charges are made for any Mortgagee statement or other statement regarding the Secured Obligations.

**3.2 Separate Indemnities.** Notwithstanding the foregoing, this Mortgage does not secure any separate hazardous materials indemnity or any similar indemnity or indemnities in any of the Loan Documents.

**3.3 Indexing.** Notice is hereby given that the interest rate, payment terms or balance due on the Notes(s) may be indexed, adjusted, renewed or renegotiated.

**3.4 Continuing Validity.** The continuing validity and priority of this Mortgage for future extensions of credit and advances shall not be impaired by the fact that at certain times no outstanding indebtedness to Mortgagee or commitments from Mortgagee to make future extensions of credit or advances exists.

#### **4. COVENANTS**

**4.1 Maintenance, Repair, Alterations.** Mortgagor shall: keep the Collateral in good condition and repair, complete promptly and in a good and workmanlike manner, any Improvement that may be constructed on the Land, and promptly restore in like manner any Improvement that may be damaged or destroyed, and pay when due all claims for labor performed and materials furnished for such construction or restoration; comply with all Laws and Orders of any court or governmental or regulatory body having jurisdiction over Mortgagor, the Land or Improvements; comply with any condominium or other plan, declaration of covenants, conditions and restrictions, and reciprocal easement agreements to which the Land is subject ("CC&Rs"), any owners' association articles and bylaws affecting the Land, and such exceptions to title as evidenced by a preliminary title report on the date of closing, acceptable to Mortgagee ("Permitted Liens"); keep and maintain abutting grounds, sidewalks, roads, parking and landscape areas in good, neat order and repair; comply with the provisions of any leases constituting part of the Collateral; obtain and maintain in full force and effect all permits necessary for the use, occupancy and operation of the Collateral; and do any and all other acts, except as otherwise prohibited or restricted by the Loan Documents, that may be reasonably necessary to protect or preserve the value of the Collateral and the rights of Mortgagee in it.

Mortgagor shall not, except upon the prior written consent of Mortgagee, which shall not be unreasonably withheld or delayed: remove, demolish or materially alter any of the Improvements, other than to make non-structural repairs in the ordinary course of business, that preserve or increase the value of the Land; commit or permit any waste or deterioration of the Collateral; abandon all or any part of the Collateral or leave the Collateral unprotected, unguarded, vacant or deserted; or initiate, join in or consent to any change in any zoning ordinance, general plan, specific plan, private restrictive covenant or other public or private restriction limiting the uses that may be made of the Land or Improvements by Mortgagor.

**4.2 Insurance.** Keep all material property useful and necessary in its business in reasonably good working order and condition (ordinary wear and tear excepted); maintain with financially sound and reputable insurance companies casualty, liability, and such other insurance (that may include plans of self-insurance) with such coverage and deductibles, and in such amounts as may be consistent with prudent business practice and in any event consistent with normal industry practice; and furnish to the Mortgagee, upon written request, full information as to the insurance carried.

**4.3 Condemnation and Other Awards.** Mortgagor shall take all actions reasonably required by Mortgagee in connection with condemnation or other taking to defend and protect the interests of Mortgagor and Mortgagee in the Land. Mortgagee shall be entitled to participate in, control and be represented by counsel of its choice in such proceeding. All condemnation proceeds shall first be applied to reimburse Mortgagee for all their reasonable costs

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and expenses, including reasonable attorneys' fees, incurred in connection with the collection of such award or settlement. The balance of such award or settlement shall be applied by Mortgagee against the Secured Obligations in such order as Mortgagee may determine.

**4.4 Taxes, Assessments and Utilities.** Mortgagor shall pay, prior to delinquency, all of the following: all general and special real property taxes and assessments imposed on the Land; all other taxes, assessments and charges assessed on the Land (or on the owner and/or operator of the Land) that create or may create a lien on the Land (or on any Improvement or Fixture used in connection with the Land); including, without limitation, non-governmental levies and assessments under applicable covenants, conditions and restrictions; and all business taxes.

Mortgagor shall promptly pay all gas, irrigation, electricity, water, sewer and other utility charges incurred for the benefit of the Collateral or that may become a lien against the Collateral; and all other similar public or private assessments and charges relating to the Collateral, regardless of whether or not any such charge is or may become a lien on the Collateral.

**4.5 Liens.** Mortgagor shall not cause, incur or permit to exist any Liens upon all or any part of the Collateral or any interest in the Collateral other than Permitted Liens. Mortgagor shall pay and promptly discharge, at Mortgagor's sole cost and expense, all such Liens.

**4.6 Sale or Lease of Collateral: Due on Sale Clause.** Mortgagor shall not sell, lease, sublease or otherwise transfer all or any part of the Collateral or any interest in it, without the prior written consent of Mortgagee, which consent may be granted or withheld in Mortgagee's sole and absolute discretion. No sale, lease or other transfer shall relieve Mortgagor from primary liability for its obligations under the Loan Documents or relieve any guarantor from any liability under any guaranty. Upon any such transfer to which Mortgagee does not consent, Mortgagee at its option may, without prior notice, declare all Secured Obligations immediately due and payable without presentment, demand, protest or further notice of any kind, and may exercise all rights and remedies provided in this Mortgage, in the other Loan Documents or under applicable law.

**4.7 Inspections and Property Valuations.** Mortgagor authorizes Mortgagee and its agents, representatives and employees, upon reasonable notice to Mortgagor, to enter at any time upon any part of the Collateral for the purpose of inspecting the Collateral. Mortgagor agrees to pay the costs and expenses of Mortgagee incurred in such inspections and examinations, including without limitation, Mortgagee's attorneys' fees, if such inspection was made necessary because of an Event of Default, whether the services are provided by Mortgagee's employees, agents or independent contractors. Any inspection or review by Mortgagee is solely for Mortgagee's benefit to protect Mortgagee's security and preserve Mortgagee's rights under this Mortgage. No inspection by Mortgagee shall constitute a waiver of any Event of Default. Mortgagor shall cooperate in allowing Mortgagee or its agents reasonable access to the Collateral for the purpose of performing any subsequent valuation, whether it is in the form of an appraisal or any other method of valuing the Collateral. Mortgagor shall pay promptly to Mortgagee, on demand, the costs of any such subsequent valuation, whether performed by employees, agents, or independent contractors of Mortgagee.

**4.8 Defense of Actions.** Mortgagor shall notify Mortgagee of any action or proceeding purporting to affect (a) the security of this Mortgage, (b) all or any part of the Collateral or any interest in it, (c) any additional or other security for the Secured Obligations, or (d) the interests, rights, powers or duties of Mortgagee under this Mortgage. Mortgagor, at no cost or expense to Mortgagee, shall appear in and defend the same. If Mortgagee elects to become or is made a party to such action or proceeding, Mortgagor shall indemnify, defend and hold Mortgagee harmless from all related liability, damage, cost and expense reasonably incurred by Mortgagee, whether or not such action or proceeding is prosecuted to judgment or decision.

**4.9 Protection of Security.** If Mortgagor fails to make any payment or to do any act required by this Mortgage or any of the other Loan Documents, Mortgagee may do so. Mortgagee may decide to do so, in its own discretion, without obligation to do so, without further notice or demand, and without releasing Mortgagor in such manner and to such extent as it may reasonably deem necessary to protect the security of this Mortgage.

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**4.10 Mortgagee's Powers.** If Mortgagor fails to pay any sum, other than principal and interest on the Secured Obligations, or to perform or comply with any other obligation required by any Loan Document, Mortgagee at its election may pay such sum or comply with such obligation. Without affecting the liability of Mortgagor or any other person liable for the payment of any Secured Obligation, and without affecting the lien or charge of this Mortgage, Mortgagee may, from time to time, do any of the following: (a) release any person so liable, (b) release or reconvey all or any part of the Collateral, (c) take or release any other or additional security for any Secured Obligation, or (d) make arrangements with debtors in relation to the Secured Obligations. Waiver by Mortgagee of any right or remedy as to any transaction or occurrence shall not be deemed to be a waiver of any future transaction or occurrence. By accepting full or partial payment or performance of any Secured Obligation after due or after the filing of a notice of default and election to sell, Mortgagee shall not have thereby waived its right to (i) require prompt payment and performance in full, when due, of all other Secured Obligations, (ii) declare a default for failure to so pay or perform, or (iii) proceed with the sale under any notice of default and election to sell previously given by Mortgagee, or as to any unpaid balance of the indebtedness secured by this Mortgage.

**4.11 Reimbursement of Costs, Fees and Expenses: Secured by Mortgage.** Mortgagor shall pay, on demand, to the maximum allowable under applicable law, all reasonable costs, fees, expenses, advances, charges, losses and liabilities paid or incurred by Mortgagee in administering this Mortgage, the collection of the Secured Obligations, and Mortgagee's exercise of any right, power, privilege or remedy under this Mortgage. Fees, costs and expenses of attorneys shall include the reasonable fees and disbursements of Mortgagee's outside and staff counsel and of any experts and agents, and including such fees incurred in the exercise of any remedy (with or without litigation), in any proceeding for the collection of the Secured Obligations, in any foreclosure on any of the Collateral, in protecting the lien or priority of any Loan Document, or in any litigation or controversy connected with the Secured Obligations, including any bankruptcy, receivership, injunction or other proceeding, or any appeal from or petition for review of any such proceeding.

## **5. RENTS, ISSUES AND PROFITS**

**5.1 Assignment of Rents, Issues and Profits.** Mortgagor absolutely, unconditionally and irrevocably assigns and transfers to Mortgagee all of its right, title and interest in and to all rents, issues, profits, royalties, income and other proceeds and similar benefits derived from the Collateral (collectively the "Rents"), and gives to Mortgagee the right, power and authority to collect such Rents. Mortgagor irrevocably appoints Mortgagee its true and lawful attorney-in-fact, at the option of Mortgagee, at any time and from time to time, to demand, receive and enforce payment, to give receipts, releases and satisfactions, and or sue, in its name or in Mortgagor's name, for all Rents, and to apply them to the Secured Obligations. Mortgagee hereby grants to Mortgagor a license to collect and retain Rents (but not more than one month in advance unless the written approval of Mortgagee has first been obtained) so long as an Event of Default shall not have occurred and be continuing. The assignment of the Rents is intended to be an absolute assignment from Mortgagor to Mortgagee and not merely the passing of a security interest. This assignment of Rents is intended to be specific, perfected and choate upon recording.

**5.2 Collection Upon Default.** Upon the occurrence of an Event of Default, Mortgagor's license to collect the Rents shall automatically terminate. Upon such termination, Mortgagee may, at any time, either in person, by agent or by a receiver appointed by a court, and without regard to the adequacy of any security for the Secured Obligations, do any of the following: (a) enter upon and take possession of all or any part of the Collateral; (b) with or without taking possession of the Collateral in its own name, sue for or otherwise collect Rents (including those past due and unpaid, and all prepaid Rents and all other security or other deposits paid by tenants to Mortgagor); and (c) apply the Rents (less costs and expenses of operation and collection, including, without limitation, attorneys' fees, whether or not suit is brought or prosecuted to judgment) to any Secured Obligation, and in such order as Mortgagee may determine, even if payment or performance of said Secured Obligation may not then be due. Mortgagor agrees that, upon the occurrence of any Event of Default, Mortgagor shall promptly deliver all Rents and security deposits to Mortgagee.

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**5.3 Further Assignments.** Upon Mortgagee's demand from time to time, Mortgagor shall execute and deliver to Mortgagee recordable assignments of Mortgagor's interest in any and all leases, subleases, contracts, rights, licenses and permits now or hereafter affecting all or any part of the Land. Mortgagee may, at its option, exercise its rights under this Mortgage or any such specific assignment and such exercise shall not constitute a waiver of any right under this Mortgage or any such specific assignment.

## **6. DEFAULT AND REMEDIES**

**6.1 Events of Default.** The occurrence of any of the following events or conditions shall constitute an event of default ("Event of Default") under this Mortgage: Mortgagor fails to pay any amount owing under this Mortgage when due; Mortgagor fails to pay any taxes, insurance premiums, assessments or rents required under this Mortgage; Mortgagor fails to observe or perform any other obligation contained in this Mortgage; the occurrence of an Event of Default under any other Loan Document; all or any portion of the Improvements or Fixtures are destroyed by fire or other casualty and Mortgagor fails to satisfy restoration conditions; or all or any material part of the Land or other Collateral is condemned, taken in eminent domain, seized or appropriated by any governmental or quasi-governmental agency or entity.

**6.2 Acceleration Upon Default: Additional Remedies.** Upon the occurrence of an Event of Default, Mortgagee may, at its option, exercise all of the applicable rights and remedies set forth herein and in the other Loan Documents and, in addition, declare all Secured Obligations to be immediately due and payable without any presentment, demand, protest or further notice of any kind; and whether or not Mortgagee exercises any said right or remedy. Mortgagee may: (a) either in person or by agent, with or without bringing any action or proceeding, or by a receiver appointed by a court and without regard to the adequacy of its Collateral enter upon and take possession of all or part of the Collateral, in its own name. The entering and taking possession of the Collateral, the collection of Rents and their application to the Secured Obligations shall not cure or waive any Event of Default or notice of default or invalidate any act done in response to them. Regardless of whether possession of the Collateral or the collection, receipt and application of any of the Rents is by Mortgagee or a receiver, Mortgagee shall be entitled to exercise every right provided for in the Loan Agreement and other Loan Documents or by law upon occurrence of any Event of Default, including the right to exercise the power of sale; (b) commence an action to foreclose this Mortgage, appoint a receiver, or specifically enforce any of the covenants contained in this Mortgage; (c) exercise all of the rights and remedies available to a secured party under the applicable Uniform Commercial Code in such order and in such manner as Mortgagee, in its sole discretion, may determine, including without limitation, requiring Mortgagor to assemble the Collateral and make the Collateral available to Mortgagee at a reasonably convenient location. The expenses of retaking, holding, preparing for sale or the like shall include reasonable attorneys' fees and other expenses of Mortgagee and shall be secured by this Mortgage; and/or (d) exercise all other rights and remedies provided in this Mortgage, in any other Loan Document or other document or agreement now or hereafter securing all or any portion of the Secured Obligations, or as provided by law or in equity.

**6.3 Appointment of Receiver.** Upon the occurrence of an Event of Default under this Mortgage, Mortgagee, without notice to Mortgagor, and without regard to the then value of the Collateral or the interest of Mortgagor in it, shall have the right to enter the Land in person or to apply to any court having jurisdiction to appoint a receiver or receivers of the Land, Fixtures or Improvements. Mortgagor irrevocably consents to such appointment and waives notice of any such application. The actions that Mortgagee or such receiver may take in connection with such entry may include, but are not limited to (a) modifying, compromising obligations under, terminating and implementing remedies with respect to any assigned leases or subleases, and (b) entering into, modifying or terminating any contractual arrangements, subject to Mortgagee's right at any time to discontinue any of the same without liability. Mortgagee is further authorized by this provision to request the court to appoint a general receiver and to empower the receiver to (i) sell or lease all or any portion of the Land, Fixtures or Improvements, (ii) collect and apply to the outstanding balances of the Secured Obligations all sales or lease proceeds, or hold the proceeds pending a court order approving the receiver's final report and account, and (iii) hold the collections as cash collateral pending such court order or foreclosure sale. Any such receiver(s) shall also have all the usual powers and duties of receivers in similar cases and all the powers and duties of Mortgagee in case of entry as provided in this Mortgage, and shall continue to

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exercise all such powers until the date of confirmation of sale of the Land, Fixtures or Improvements, unless such receivership is sooner terminated. If Mortgagee elects to enter or take possession of the Land, Fixtures or Improvements, it will not assume any liability to Mortgagor or any other person for operation or maintenance of the Land, Fixtures or Improvements, and Mortgagor expressly waives any such Mortgagee liability.

**6.4 Application of Funds After Default.** Except as otherwise provided in this Mortgage, upon the occurrence of an Event of Default, Mortgagee may at any time, with notice to Mortgagor if providing such notice will not adversely delay the exercise of Mortgagee's rights or remedies, apply to any Secured Obligation, in such manner and order as Mortgagee may elect, even if such Secured Obligation may not yet be due, any amounts received and held by Mortgagee to pay insurance premium or taxes or as Rents, or as insurance or condemnation proceeds, and all other amounts received by Mortgagee from or on account of Mortgagor or the Collateral, or otherwise. The receipt, use or application of any such amounts shall not affect the maturity of any Secured Obligation, any of the rights or powers of Mortgagee under the terms of any Loan Document, or any of the obligations of Mortgagor or any guarantor under any Loan Document; or waive any Event of Default or notice of default under the Loan Documents; or invalidate any act of Mortgagee.

**6.5 Remedies Not Exclusive.** Mortgagee shall be entitled to enforce payment and performance of any Secured Obligation and to exercise all rights and powers under this Mortgage or any other Loan Document or other agreement or any law, even if some or all of the Secured Obligations may be otherwise secured, whether by guaranty, deed of trust, mortgage, pledge, lien, assignment or otherwise. Mortgagee shall be entitled to enforce this Mortgage and any other security for the Secured Obligations held by Mortgagee in such order and manner as it may in its absolute discretion determine. No remedy conferred upon or reserved to Mortgagee is intended to be exclusive of any other remedy in this Mortgage, and other agreement, or at law, but each shall be cumulative and in addition to every other remedy available to Mortgagee. Every power or remedy given by any of the Loan Documents to Mortgagee or to which it may be otherwise entitled, may be exercised, concurrently or independently, from time to time and as often as may be deemed expedient by Mortgagee, and it may pursue inconsistent remedies. Mortgagor may be joined in any action brought by Mortgagee to foreclose under or otherwise enforce this Mortgage.

## **7. MISCELLANEOUS**

**7.1 Amendments.** This instrument cannot be waived, modified, discharged or terminated except in writing signed by the party against whom enforcement of such changes is sought.

**7.2 Waivers.** Mortgagor waives, to the extent permitted by law, (a) the benefit of all laws (whenever enacted) providing for any appraisal before sale of any portion of the Collateral, (b) all rights of valuation, appraisal, stay of execution, notice of election to mature or declare due the whole of the Secured Obligations and marshaling in the event of foreclosure of this Mortgage, and (c) all rights and remedies that Mortgagor may have under the laws of the State of Washington regarding the rights and remedies of sureties. Further, Mortgagor hereby waives, to the fullest extent permitted by law, the right to plead, use or assert any statute of limitations as a plea, defense or bar to any Secured Obligation, or to any complaint or other pleading or proceeding filed, instituted or maintained for the purpose of enforcing this Mortgage or any rights under it.

**7.3 Further Assurances.** Mortgagor agrees to do or cause to be done such further acts and things and to execute and deliver or to cause to be executed and delivered such additional assignments, agreements, powers and instruments as Mortgagee may reasonably require to: (a) correct any defect, error or omission in this Mortgage or the execution or acknowledgment of this Mortgage, (b) subject to the lien of this Mortgage any of Mortgagor's properties covered or intended to be covered by this Mortgage, (c) perfect, maintain and keep valid and effective such lien, (d) carry into effect the purposes of this Mortgage, or (e) better assure and confirm to Mortgagee its respective rights, powers and remedies under this Mortgage.

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**7.4 Notices.** All notices, demands, approvals and other communications shall be made in writing to the appropriate party at the address set forth in the first paragraph of this Mortgage. All such notices shall be made in accordance with the Loan Agreement.

**7.5 Headings.** Article and section headings are included in this Mortgage for convenience of reference only and shall not be used in construing this Mortgage.

**7.6 Severability.** Every provision of this Mortgage is intended to be severable. The illegality, invalidity or unenforceability of any provision of this Mortgage shall not in any way affect or impair the remaining provisions of this Mortgage, which provisions shall remain binding and enforceable.

**7.7 Subrogation.** To the extent that proceeds of the Secured Obligations are used, either directly or indirectly, to pay any outstanding lien, charge or prior encumbrance against the Collateral, Mortgagee shall be subrogated to any and all rights and liens held by any owner or holder of such outstanding liens, charges and prior encumbrances, regardless of whether such liens, charges or encumbrances are released.

**7.8 Governing Law.** This Mortgage shall be governed by, and construed in accordance with, the substantive laws of the State of Washington, except where the location of the Land may require the application of the laws of another state or where federal laws, including the Farm Credit Act of 1971, as amended, may be applicable.

**7.9 Interpretation.** In this Mortgage the singular shall include the plural and the masculine shall include the feminine and the neuter and vice versa, if the context so requires; and the word "person" shall include corporation, partnership or other form of association. Any reference in this Mortgage to any document, instrument or agreement creating or evidencing an obligation secured hereby shall include such document, instrument or agreement both as originally executed and as it may from time to time be modified.

**7.10 Successors and Assigns.** This Mortgage applies to, inures to the benefit of and binds all parties to this Mortgage, their heirs, legatees, devisees, administrators, executors, successors and assigns.

**7.11 Security Agreement.** This Mortgage constitutes a security agreement for all purposes under the Uniform Commercial Code in effect in the State(s) where the Mortgagor resides. Mortgagor hereby authorizes Mortgagee to file, at any time, one or more financing statements and any amendments and continuations thereof, describing any personal property or fixtures described herein, without further signature of Mortgagor. In addition to all other rights and remedies provided for in this Mortgage, Mortgagee shall have all of the rights and remedies of a secured party under the Uniform Commercial Code.

**7.12 Counterparts.** This Mortgage may be executed in any number of counterparts, each of which, when executed, shall be deemed to be an original, and all of which together shall be deemed to be one and the same instrument.

**7.13 Fixture Filing and Financing Statement.** This Mortgage is intended to serve as a Fixture filing covering Fixtures pursuant to the terms of the applicable Uniform Commercial Code. This Mortgage is to be recorded in the real estate records of each County in which the Land is located. In that regard, Mortgagor is Debtor and Mortgagee is Secured Party.

**7.14 WAIVER OF JURY TRIAL.** MORTGAGOR HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS LOAN DOCUMENT OR ANY OTHER LOAN DOCUMENTS AND ANY FUTURE MODIFICATIONS, AMENDMENTS, EXTENSIONS, RESTATEMENTS AND SERVICING ACTIONS RELATING TO THIS LOAN DOCUMENT AND ANY OTHER LOAN DOCUMENTS. IT IS INTENDED THAT THIS JURY WAIVER WILL BE ENFORCED TO THE MAXIMUM EXTENT ALLOWED BY LAW.

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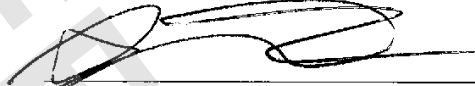
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**ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, EXTEND CREDIT, OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.**

IN WITNESS WHEREOF, Mortgagor has duly executed this Mortgage as of the date first above written.


**MORTGAGOR:**  
**U.S. GOLDEN EAGLE FARMS LP**

By: GOLDEN EAGLE FARMS, LTD, its General Partner

By:   
Suzan El-Khatib, Authorized Representative

Country Canada  
STATE OF Canada  
Province British Columbia ) ss.  
County of British Columbia

On this 30 day of November, 2021, before me personally appeared SUZAN EL-KHATIB, to me known to be the person(s) described in and who executed the within instrument, and acknowledged that [he][she] executed the same as [his][her] free act and deed.

  
Notary Public for the State of \_\_\_\_\_  
Residing at \_\_\_\_\_  
My commission expires \_\_\_\_\_  
Printed Name \_\_\_\_\_

**CAMERON G. FUNNELL**  
Barrister & Solicitor  
**WATSON GOEPEL LLP**  
1200 - 1075 W. Georgia Street  
Vancouver, B.C. V6E 3C9  
Tel: 604-688-1301 Fax: 604-688-8193



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**EXHIBIT A  
PROPERTY DESCRIPTION**

**PARCEL "A":**

That portion of the East 213.2 feet of the Southeast  $\frac{1}{4}$  of Section 16, Township 35 North, Range 6 East, W.M., lying South of Etach Creek;

EXCEPT the South 15 feet thereof conveyed to Skagit County for road purposes by deed recorded April 10, 1917, under Auditor's File No. 118467 in Volume 106 of Deeds, page 398.

Situated in Skagit County, Washington.

**PARCEL "B":**

The West  $\frac{1}{2}$  of the Southwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  of Section 15, Township 35 North, Range 6 East, W.M., EXCEPT the South 15 feet thereof conveyed to Skagit County for road purposes by deed recorded April 10, 1917, under Auditor's File No. 118459 in Volume 106 of Deeds, page 392.

Situated in Skagit County, Washington.

**PARCEL "C":**

That portion of the Northeast  $\frac{1}{4}$  of the Southeast  $\frac{1}{4}$  of Section 16, Township 35 North, Range 6 East, W.M., lying South of Etach Creek;

EXCEPT the East 213.2 feet thereof.

Situated in Skagit County, Washington.

**PARCEL "D":**

The Southeast  $\frac{1}{4}$  of the Southeast  $\frac{1}{4}$ , EXCEPT the East 213.2 feet thereof, in Section 16, Township 35 North, Range 6 East, W.M..

Situated in Skagit County, Washington.

**PARCEL "E":**

The Northeast  $\frac{1}{4}$  of the Northeast  $\frac{1}{4}$  of Section 21, Township 35 North, Range 6 East, W.M.;  
EXCEPT roads;

AND EXCEPT that portion thereof Southwesterly of the County Road.

Situated in Skagit County, Washington.

**PARCEL "F":**

That portion of the Southeast  $\frac{1}{4}$  of the Northeast  $\frac{1}{4}$  of Section 21, Township 35 North, Range 6 East, W.M., lying Northeasterly of the County Road that runs along the Northeasterly line of Tracts 2 and 3 of "HEART O' THE

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SKAGIT RIVER TRACTS", as per plat recorded in Volume 9 of Plats, pages 1, 2 and 3, records of Skagit County, Washington.

Situated in Skagit County, Washington.

PARCEL "G":

The Northwest  $\frac{1}{4}$  of the Northwest  $\frac{1}{4}$  and the West  $\frac{1}{2}$  of the Northeast  $\frac{1}{4}$  of the Northwest  $\frac{1}{4}$  of Section 22, Township 35 North, Range 6 East, W.M..

EXCEPT those portions conveyed to Skagit County for road purposes by deeds dated May 19, 1915, and December 2, 1916, recorded April 10, 1917 in Volume 106 of Deeds, page 355 and 397.

Situated in Skagit County, Washington.

PARCEL "H":

That portion of Lots 4 and 5, Section 22, Township 35 North, Range 6 East, W.M., lying North of County Road;

EXCEPT that portion thereof conveyed to Skagit County for road purposes by Deed dated March 19, 1910, recorded under Auditor's File No. 78671;

ALSO EXCEPT therefrom a parcel of land 2 rods wide and 4 rods long for cemetery purposes and more Particularly described as follows:

Beginning at a point 380 feet South of 95 feet West from the Northeast corner of said Lot 4; thence South 4 rods; Thence West 2 rods; thence North 4 rods; thence East 2 rods to the point of beginning.

Situated in Skagit County, Washington.

PARCEL "I":

That portion of Government Lot 4, Section 22, Township 35 North, Range 6 East, W.M., described as follows: Beginning at the intersection of the County Road with the East line of said Lot 4; thence South along the East line of said Government Lot 4, 756 feet; thence in a generally Westerly direction along an old fence line, 1,164 feet; Thence due North to the Southerly edge of County Road, a distance of 317 feet, more or less;

Thence Northeasterly along the Southerly edge of County Road to the point of beginning.

EXCEPT that portion, if any, which lies within the plat of "HEART O' THE SKAGIT RIVER TRACTS", as per plat recorded in Volume 9 of Plats, pages 1, 2 and 3, records of Skagit County, Washington.

ALSO EXCEPT that portion, if any, lying within the gravel bar as conveyed to the State of Washington, by Deed dated May 29, 1954, recorded July 26, 1954, under Auditor's File No. 504383.

Situated in Skagit County, Washington.

PARCEL "J":

The East  $\frac{1}{2}$  of the Northeast  $\frac{1}{4}$  of the Northwest  $\frac{1}{4}$  of Section 22, Township 35 North, Range 6 East, W.M.. EXCEPT roads.

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Situated in Skagit County, Washington.

PARCEL "K":

Government Lots 3 and 4, Section 16, Township 35 North, Range 6 East, W.M..

EXCEPT that portion thereof lying within the present bed of the Skagit River;

TOGETHER WITH shore lands of the second Class situated in front of, adjacent to, or abutting upon said Lots 3 and 4;

EXCEPT that portion of said shore lands in front of said Government Lots 3 and 4 which lies North of the North line of said Lots;

AND ALSO EXCEPT that portion of Lot 3, described as follows:

Beginning at the Section corner of Sections 16, 17, 20 and 21; thence North 600 feet to the South bank of the Skagit River; thence South 20° East along the South bank of the Skagit River to the South Section line of Section 16; thence West along the South Section line of Section 16, to the point of beginning.

Situated in Skagit County, Washington.

PARCEL "L":

Government Lot 5, Section 16, Township 35 North, Range 6 East, W.M..

TOGETHER WITH the shore lands of the second class in front of, adjacent to, or abutting upon said Lot 5; EXCEPT that portion described as follows:

Beginning at the intersection of the center line of the County road running in a generally Northerly direction through said Lot 5, with the South line of said subdivision;

Thence Northwesterly along said center line to a point 330 feet West of the East line of said subdivision, as measured along a line drawn at right angles thereto;

Thence Easterly to a point on the East line of said subdivision which is 310 feet North of the Southeast corner thereof;

Thence Southerly along said East line 310 feet to the Southeast corner of said subdivision; thence West along the South line of said subdivision to the point of beginning.

EXCEPT County Road.

Situated in Skagit County, Washington.

PARCEL "M":

Government Lot 2, of Section 21, Township 35 North, Range 6 East, W.M.,

EXCEPT that portion lying within the present bed of the Skagit River;

AND EXCEPT the following described tract;

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Beginning at the Northwest corner of said Government Lot 2; thence East 1,100 feet;

Thence Southeasterly to a point which is 1,225.2 feet East of the Southwest corner of said Government Lot 2; Thence West to the Southwest corner of said Government Lot 2; thence North to the point of beginning.

Situated in Skagit County, Washington.

PARCEL "N":

Lots 1, 2, 4, 5, 6 and 37, "HEART O' THE SKAGIT RIVER TRACTS", as per plat recorded in Volume 9 of Plats, page 1, 2 and 3, records of Skagit County, Washington.

ALSO, an undivided 1/6 interest in Lot 33, "HEART O' THE SKAGIT RIVER TRACTS", as per plat recorded in Volume 9 of Plats, pages 1, 2 and 3, records of Skagit County, Washington.

Situated in Skagit County, Washington.

PARCEL "O"

That portion of the Northwest  $\frac{1}{4}$  of the Northeast  $\frac{1}{4}$  of Section 22, Township 35 North, Range 6 East W.M., lying within the following description:

Beginning at a point 480 feet South of the quarter Section corner between Sections 15 and 22, in said Township and Range;

Thence East 1320 feet, more or less, to the East line thereof;

Thence South 840 feet, more or less, to the South line thereof;

Thence West 1320 feet, more or less, to the West line thereof;

Thence North 840 feet to point of beginning;

EXCEPT the West 30 feet conveyed to Skagit County for roads on April 1, 1909 under Auditor's File No. 78669 (known as Cockreham Island Road);

AND EXCEPT that portion conveyed to the State of Washington on July 23, 2002 under Auditor's File No. 200207230003.

Together with that portion of Government Lot 1 in Section 22, Township 35 North, Range 6 East W.M., lying Westerly of the mean high water mark on the Westerly bank of the Skagit River; EXCEPT that portion conveyed to the State of Washington on July 23, 2002 under Auditor's File No. 200207230003.

Situated in Skagit County, Washington.

PARCEL "P"

That portion of Government Lot 2 in Section 22, Township 35 North, Range 6 East W.M., lying Westerly of the mean high water mark on the Westerly bank of the Skagit River; EXCEPT that portion conveyed to the State of Washington on July 23, 2002 under Auditor's File No. 200207230003.

Situated in Skagit County, Washington.

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**PARCEL "Q":**

Government Lot 3 in Section 22, Township 35 North, Range 6 East W.M.; EXCEPT that portion conveyed to Skagit County on April 1, 1909 under Auditor's File No. 78669 (known as Cockreham Island Road).

Situated in Skagit County, Washington.

**PARCEL "R":**

That portion of the Northwest 1/4 of the Southeast 1/4 or Government Lot 8, if any, in Section 22, Township 35 North, Range 6 East W.M., lying Northerly of the Skagit River as of the date of the deed recorded on May 6, 2002 under Auditor's File No. 200205060040.

Situated in Skagit County, Washington.

**PARCEL "S":**

All of the property lying in Section 22, Township 35 North, Range 6 East W.M. acquired by changing course of the Skagit River as described in the Order Quieting Title filed in Snell v. State of Washington Department of Natural Resources, Skagit County Cause No. 01-2-01226-9, filed on March 7, 2002, less any property described as Parcels "O", "P", "Q" and "R" above; EXCEPT that portion conveyed to the State of Washington on July 23, 2002 under Auditor's File No. 200207230003.

Situated in Skagit County, Washington.

**PARCEL "T":**

The North Half of Lot 1, Section 21, Township 35 North, Range 6 East of the Willamette Meridian, lying West of Cockreham Road;

EXCEPT the South 430 feet thereof;

AND EXCEPT that portion if any, lying within the County road known as Cockreham Road.

Situated in Skagit County, Washington.

**PARCEL "U":**

The South 430 feet of the North Half of Government Lot 2, Section 21, Township 35 North, Range 6 East, W.M.  
Situated in Skagit County, Washington.

**PARCEL "V":**

That portion of the South 183 feet of the Southeast Quarter of the Northwest Quarter, Section 16, Township 35 North, Range 6 East, W.M., lying East of Etach Creek and West of the County Road.

TOGETHER WITH that portion of Government Lot 1 of said Section 16, lying East of Etach Creek and West of the County Road.

AND TOGETHER WITH Government Lots 3, 4 and 5, Section 16, Township 35 North, Range 6 East, W.M.

AND TOGETHER WITH that portion of the Northwest Quarter of the Southeast Quarter of said Section 16, lying

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West of the County Road.

AND TOGETHER WITH shorelands of the second class lying in front of, adjacent to, or abutting upon Government Lot 1 of said Section 16.

AND TOGETHER WITH shorelands of the second class lying in front of, adjacent to, or abutting upon Government Lot 3 of said Section 16.

AND TOGETHER WITH shorelands of the second class lying in front of, adjacent to, or abutting upon Government Lot 4 of said Section 16.

AND TOGETHER WITH shorelands of the second class lying in front of, adjacent to, or abutting upon Government Lot 5 of said Section 16.

EXCEPT from all of the above those portions lying South of the following described line:

Beginning at the South Quarter corner of said Section 16;

Thence North 01 degrees 05'34" East along the North-South centerline of said Section 16, a distance of 1,325.95 feet;

Thence South 88 degrees 44'50" East to the West line of the Cockreham Island Road and the initial point of this line description;

Thence North 88 degrees 44'50" West to the West line of the above described property and terminal point of this line description.

Situated in Skagit County, Washington.

PARCEL "W":

The Southeast Quarter of the Northwest Quarter of Section 15, Township 35 North, Range 6 East of the Willamette Meridian;

EXCEPT Great Northern Railway right of way and Cockreham Island Road;

Situated in Skagit County, Washington

PARCEL "X":

The Southwest Quarter of the Northwest Quarter of Section 15, Township 35 North, Range 6 East of the Willamette Meridian;

EXCEPT the following described parcels:

That portion thereof, if any, lying within the Great Northern Railway right of way.

Those portions thereof conveyed to Puget Sound and Baker River Railroad Corporation by deeds recorded February 19, 1907, under Auditor's File No. 60882 and 60884, records of Skagit County, Washington.

Situated in Skagit County, Washington

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PARCEL "Y":

All that portion of the Northwest Quarter of the Southeast Quarter of Section 16, Township 35 North, Range 6 East, W.M., lying and being North of Etach or Minkler Creek.

ALSO, that portion of the Northeast Quarter of the Southeast Quarter of Section 16, Township 35 North, Range 6 East, W.M., lying and being North of Etach Creek,

EXCEPT the following described tract conveyed to Fred C. Hunger and Linda M. Hunger, husband and wife, by Deed dated March 27, 1990, and recorded under Auditor's File No. 9003270024;

Beginning at the Northeast corner of the Northeast Quarter of the Southeast Quarter of said Section 16;

Thence West 388 feet;

Thence South 148 feet;

Thence East 388 feet to the East line of said Section;

Thence North along said line 148 feet to the point of beginning.

EXCEPT from all of the above described property that portion conveyed to Skagit County for road purposes by Deed recorded January 8, 1897, in Volume 31 of Deeds, page 695, under Auditor's File No. 25605;

Situated in Skagit County, Washington.

PARCEL "Z":

That portion of the Southeast Quarter of the Northeast Quarter of Section 16, Township 35 North, Range 6 East, W.M.

EXCEPT those portions conveyed to the Seattle and Northern Railway Company by Deeds recorded May 3, 1890, in Volume 10 of Deeds, page 565, and recorded January 5, 1900, in Volume 40 of Deeds, page 219;

ALSO EXCEPT that 1 acre parcel transferred to Fred Hunger and Linda Hunger, husband and wife, by Deed dated May 4, 1989, and recorded under Auditor's File No. 8905150017;

AND ALSO EXCEPT that portion of the Southeast Quarter of the Northeast Quarter of Section 16, Township 35 North, Range 6 East, W.M., described as follows:

Beginning at the Southeast corner of said Southeast Quarter of the Northeast Quarter of Section 16;

Thence North 1 degree 09'39" East along the East line of said Section, a distance of 118.00 feet to the Northeast corner of that 1 acre parcel transferred to Fred Hunger and Linda Hunger, husband and wife, by deed dated May 4, 1989, and recorded under Auditor's File No. 8905150017, and which point is the TRUE POINT OF BEGINNING of this property description;

Thence continuing North 1 degree 09'39" East along the East line of said Section, a distance of 1141.71 feet, more or less, to a point at the intersection of the Southerly line of that railroad right-of-way as conveyed to the Seattle and Northern Railway Company by Deeds recorded May 3, 1890, in Volume of Deeds, page 565, and recorded January 5, 1900 in Volume 40 of Deeds, page 219;

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Thence North 89 degrees 11'17" West, along the Southerly line of said Seattle and Northern Railway Company right-of-way, a distance of 600.64 feet, more or less, to a point 600 feet West, when measured at right angles to, the East line of said Southeast Quarter of the Northeast Quarter of Section 16;

Thence South 9 degrees 09'36" East, a distance of 1183.49 feet, more or less, to the Northwest corner of said 1 acre parcel transferred to Fred Hunger and Linda Hunger by Auditor's File No. 8905150017;

Thence South 88 degrees 04'42" East, parallel to the South line of said Southeast Quarter of the Northeast Quarter of Section 16, along the North line of said Hunger parcel, a distance of 388.00 feet to the True Point of Beginning.

EXCEPT from the above described property, that portion conveyed to Skagit County for road purposes by Deed recorded January 8, 1897, in Volume 31 of Deeds, page 695, under Auditor's File No. 25605.

Situated in Skagit County, Washington.

PARCEL "AA":

Government Lot 2 of Section 16, Township 35 North, Range 6 East of the Willamette Meridian;

EXCEPT that portion thereof lying within the present beds and shores of the Skagit River.

Situated in Skagit County, Washington.

PARCEL "BB":

That portion of the Southwest Quarter of the Northeast Quarter of Section 16, Township 35 North, Range 6 East of the Willamette Meridian, lying West of Etach Creek, East of the County Road and South of the following described line:

Beginning at a point on the West line of the Southwest Quarter of the Northeast Quarter of said Section 16 which lies 485 feet North of the Southwest corner thereof;

Thence East, parallel with the South line of the Southwest Quarter of the Northeast Quarter of said Section 16 to Etach Creek and the terminus of this line description;

TOGETHER WITH those portions of Government Lot 1 and of the Northwest Quarter of the Southeast Quarter of said Section 16, lying East of the county road;

EXCEPT the East 363 feet of the Northwest Quarter of the Southeast Quarter of said Section 16;

AND EXCEPT the South 16 feet of the West Half of the East Half of the Northwest Quarter of the Southeast Quarter of said Section 16.

Situated in Skagit County, Washington

PARCEL "CC":

That part of the Northeast Quarter of the Northeast Quarter, lying Southwest of the County Road and the South Half of Government Lot 1, all in Section 21, Township 35 North, Range 6 East of the Willamette Meridian;

EXCEPT county road right of way.

Situated in Skagit County, Washington

221029-0003/01203571

Mortgage

(U.S. Golden Eagle Farms LP/Notes Nos. 6358373; 6358381)

**PARCEL "DD":**

That portion of Government Lot 4, Section 21, Township 35 North, Range 6 East of the Willamette Meridian, lying North of the Skagit River, as said river existed on May 29, 1981.

Situated in Skagit County, Washington

**PARCEL "EE":**

The East Half of the Southwest Quarter of the Southwest Quarter, EXCEPT the South 15 feet; the Southeast Quarter of the Southwest Quarter, EXCEPT the South 15 feet and the East 30 feet thereof; the Northeast Quarter of the Southwest Quarter, EXCEPT road; and the Northwest Quarter of the Southwest Quarter all in Section 15, Township 35 North, Range 6 East of the Willamette Meridian.

Situated in Skagit County, Washington

**PARCEL "FF":**

That portion of the Southwest Quarter of the Southeast Quarter, Section 15 and of the North 480 feet of the Northwest Quarter of the Northeast Quarter, Section 22, all in Township 35 North, Range 6 East of the Willamette Meridian, lying Westerly of the Westerly bank of the Skagit River;

EXCEPT the West 30 feet for road as conveyed to Skagit County by deed recorded April 1, 1910, under Auditor's File No. 78669, records of Skagit County, Washington, in Volume 65, Page 297, records of Skagit County, Washington.

Situated in Skagit County, Washington.