

AFTER RECORDING, RETURN TO:

PEOPLES BANK

P O BOX 233

LYNDEN WA 98264

**M-22462
ACCOMMODATION
RECORDING ONLY**

NEGATIVE PLEDGE AGREEMENT

DATE: March 28, 2022

REFERENCE # (if applicable):

GRANTOR(S): Skagit Aggregates, LLC

GRANTEES: **PEOPLES BANK**

LEGAL DESCRIPTION: P24729 340414-2-002-0103: That portion of the NE ¼ of the NW ¼ of Section 14, Township 34 North, Range 4 East, W.M. More fully described on Exhibit "A" and incorporated herein by this reference.

P24709 340414-0-015-0003 and P24732 340414-2-005-0001: That portion of the SE ¼ of the NW ¼ of Section 14, Township 34 North, Range 4 East W.M. More fully described on Exhibit "A" and incorporated herein by this reference.

P119928 340414-1-005-0100: Baker Heights Area, Acres 9.88, that portion of the South ½ of the Northwest ¼ of the Northeast ¼ of Section 14, Township 34 North, Range 4 East, W.M.

LEGAL DESCRIPTION: Ptn SE 1/4 of NW 1/4 & SW 1/4, 17-33-5 E & Ptn SE 1/4 of SE 1/4, 18-33-5 E WM

LEGAL DESCRIPTION: A-E; Ptn NE¼, Ptn N ½ of SE¼. 30-35-6 E; F-H; Pin E ½ of NW ¼, Ptn NW¼ NE¼, 14-34-4 E

LEGAL DESCRIPTION: W 1/2 SW NE 1/4; W 1/2 NW SE 1/4, 28-35-9 E W.M.

PARCEL NO.: P24729 340414-2-002-0103, P24709 340414-0-015-0003, P24732 340414-2-005-0001, P119928 340414-1-005-0100

PARCEL NO.: 330517-2-010-0001/P18117 and 330517-2-010-0100/P124373

PARCEL NO.: 350630-4-003-0006 / P42105, 350630-4-002-0007 / P42104, 350630-1-005-0109 / P42079, 350630-1-004-0001 / P42076, 350630-1-005-0000 / P42078, 350630-1-003-0002 / P42075, 350630-1-004-0100 / P42077, 340414-2-005-0001 / P24732

PARCEL NO.: 350928-1-005-0300, P123394, 350928-1-005-0001, P44865

In order to induce **PEOPLES BANK** (the "Bank") to make, renew or extend loans, or other extensions of credit or financial accommodation or to enter into other credit arrangements, or to continue to make the same available to **Skagit Aggregates, LLC** ("Borrower") either individually or jointly, **Skagit Aggregates, LLC** (together with its heirs, successors and assigns, "Grantor(s)") hereby agrees with the Bank as follows:

1. So long as the Borrower is indebted to the Bank on account of any loan, extension of credit, or agreement for a loan or extension of credit, and until such loan, extension of credit, or agreement for either has been fully paid, satisfied or discharged, and the Bank has no further understanding, if any, for the extension of credit to the Borrower. Grantor shall not, without the prior written consent of the Bank, encumber, mortgage, pledge, hypothecate or otherwise grant any consensual security interest in or lien upon the following described property (the "Property") of Borrower:

See Exhibit A:, which is attached to this Negative Pledge Agreement and made a part of this Agreement as if fully set forth herein.

Nor shall Grantor permit or suffer to exist any involuntary liens for unpaid income and withholding taxes or otherwise, judgments, decrees or otherwise, nor shall the Grantor suffer or permit to exist any form of execution or other process for the taking of the Property which is not discharged, dismissed and held for naught within ten (10) days after the issuance thereof, and in any event, prior to the Grantor losing possessory right to the Property.

2. In the event that any security interest, lien, claim or other charge of any kind whatsoever shall come into existence in violation of this Negative Pledge Agreement, Grantor shall immediately give notice to the Bank, said notice to include a complete description of all of the circumstances of such interest - i.e., claimant, amount, basis of claim, date claimed, dispute as to validity, etc.

3. Any violation or breach of this Negative Pledge Agreement shall constitute a default in respect of the Borrower's obligations and indebtedness to the Bank, for reason of which the Bank shall be entitled at its option to exercise any of its rights or remedies on default, including immediate acceleration without notice of all indebtedness of Borrower to the Bank.

4. This Agreement shall be binding upon and inure to the benefit of the Bank, Grantor the Borrower, and their respective successors and assigns and shall be governed by and interpreted in accordance with the laws of the State of Washington.

5. This Negative Pledge Agreement shall be effective as of March 28, 2022 and shall continue in effect until the earlier of such time as: a) Borrower and the Bank have agreed to the terms of a loan, including the collateral securing the loan, and the Borrower and the Bank have entered into credit arrangements satisfactory to both parties; b) Borrower has paid in full, satisfied, or discharged any loan or extension of credit in favor of the Bank; and c) Borrower and the Bank agree in writing to terminate this Agreement. Upon termination, a Termination of Negative Pledge Agreement shall be signed and recorded in the records of the Skagit County Auditor.

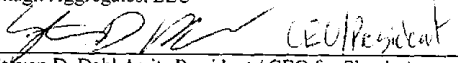
GRANTOR(S):

Skagit Aggregates, LLC


Steven D. Dahl As its President / CEO for Skagit Aggregates, LLC

BORROWER:

Skagit Aggregates, LLC


Steven D. Dahl As its President / CEO for Skagit Aggregates, LLC

LENDER:

PEOPLES BANK


Authorized Signer for PEOPLES BANK

LIMITED LIABILITY COMPANY ACKNOWLEDGEMENT

STATE OF WASHINGTON)
) ss.
COUNTY OF MADEIRA)

I certify that I know or have satisfactory evidence that STEVAN D. POOL of State Americans LLC, is the person who appeared before me, and said person acknowledged that he signed this instrument and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in the instrument.

Dated: 3-24-2022



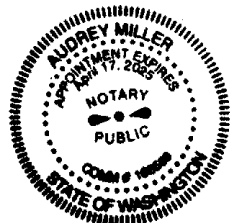
[Signature]
(Print Notary Name) Ronald Kllogjeri
Notary Public in and for the State of Washington
residing at 1121 115 St
My appointment expires 6-21-2024

LENDER ACKNOWLEDGEMENT

STATE OF WASHINGTON)
) ss.
COUNTY OF Skagit)

I certify that I know or have satisfactory evidence that Ronald Kllogjeri of Peoples Bank, is the person who appeared before me, and said person acknowledged that he signed this instrument and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in the instrument.

Dated: 3/29/2022



[Signature]
(Print Notary Name) Audrey Miller
Notary Public in and for the State of Washington
residing at Mount Vernon
My appointment expire April 17, 2025

EXHIBIT "A"

Tax Parcel No: (P24729) 340414-2-002-0103

That portion of the Northeast $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of Section 14, Township 34, North, Range 4 East, W.M., described as follows: Commencing at the North quarter corner of said Section 14; thence South 1 degree 33' 27" East along the East line of said Northwest $\frac{1}{4}$ of Section 14, 667.53 feet to the true point of beginning; thence North 43 degrees 22' 41" West, 276.25 feet; thence North 51 degrees 18' 39" West, 208.5 feet; thence South 38 degrees 41' 21" West, 141.16 feet to the beginning of a curve to the left having a radius of 5508.60 feet; thence along the arc of said curve through a central angle of 4 degrees 10' 36", 401.56 feet; thence South 34 degrees 30' 45" West, 345.89 feet to the beginning of a curve to the left having a radius of 1400.85 feet; thence along the arc of said curve through a central angle of 13 degrees 05' 09" an arc distance of 319.94 feet to the intersection with the South line of the Northeast $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of said section 14; thence South 89 degrees 42' 23" East along the South line of said Northeast $\frac{1}{4}$ of the Northwest $\frac{1}{4}$; 1044.12 feet to the Southeast corner of said Northeast $\frac{1}{4}$ of the Northwest $\frac{1}{4}$; thence North 1 degree 33' 27" West along the East line of said Northeast $\frac{2}{4}$ of the Northwest $\frac{1}{4}$, 673.93 feet to the true point of beginning. EXCEPT that portion, if any, lying within the boundaries of the State Highway right of way.

Tax Parcel No: (P24709) 340414-0-015-0003 & (P24732) 340414-2-005-0001

Parcel A:

That portion of the SE $\frac{1}{4}$ the NW $\frac{1}{4}$ of Section 14, Township 34 North, range 4 East W.M., described as follows: Beginning at the North $\frac{1}{4}$ of said Section 14; thence South along the centerline of said Section, 1565 feet, more or less, to the NE corner of the South 62 rods of said SE $\frac{1}{4}$ of the NW $\frac{1}{4}$, said point being the true point of beginning; thence West along the North line to said South 62 rods, 1145 feet, more or less, to the East line of the County road; thence Northeasterly along said road to the North line of the SE $\frac{1}{4}$ of the NW $\frac{1}{4}$; thence East along the North line of the point of beginning; EXCEPT that portion described as follows: Beginning at the intersection of the Easterly line of Clear Lake County Road and a line which is parallel to and 1565 feet Southerly from the North line of said Section 14; thence East along said parallel line, 250 feet; thence North 208 feet; thence West to the Easterly line of County Road; thence Southwesterly along County Road to the point of beginning.

Parcel B:

That portion of the SE $\frac{1}{4}$ of the NW $\frac{1}{4}$ of Section 14, Township 34 North, Range 4 East, W.M., described as follows: Beginning at the intersection of the Easterly line of Clear Lake County Road and a line which is parallel to and 1565 feet Southerly from the North line of said Section 14; thence East along said parallel line, 250 feet; thence North 208 feet; thence West to the Easterly line of County Road; thence Southwesterly along County Road to the point of beginning. All situate in the County of Skagit, State of Washington.

Parcel No: P119928 340414-1-005-0100

Baker Heights Area, Acres 9.88, that portion of the South $\frac{1}{2}$ of the Northwest $\frac{1}{4}$ of the Northeast $\frac{1}{4}$ of Section 14, Township 34 North, Range 4 East, W.M., said portion being more particularly described as follows: Beginning at the Northwest corner of said subdivision; thence South 89 degrees 14' 42" East 583.38 feet along the North line of said subdivision; thence South 14 degrees 52' 00" East 100.00 feet; thence South 89 degrees 21' 37" East 66.55 feet; thence South 00 degrees 38' 23" West 572.83 feet to the South line of said subdivision; thence North 89 degrees 21' 37" West 647.26 feet to the Southwest corner of said subdivision; thence North 01 degree 52' 19" West 671.01 feet along the West line of said subdivision to the point of beginning.

**EXHIBIT A
TO DEED
LEGAL DESCRIPTION**

Schedule "A-1"

144181-OE

DESCRIPTION:**PARCEL "A":**

That portion of the Southeast $\frac{1}{4}$ of the Northwest $\frac{1}{4}$; the North $\frac{1}{2}$ of the Southwest $\frac{1}{4}$ and the Southwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$, Section 17, Township 33 North, Range 5 East, W.M., lying Easterly of the Northern Pacific Railway Co. right-of-way as relocated as per decree entered June 30, 1913, in Skagit County Superior Court Cause No. 6944,

EXCEPT any portion thereof lying within a tract of land as conveyed to School District No. 67, by deed recorded July 20, 1914, in Volume 97 of Deeds, page 272, records of said County,

EXCEPT County road and railroads,

EXCEPT that portion described as follows:

Beginning at the West $\frac{1}{4}$ corner of said Section 17;
 thence along the East-West center of Section line, South $88^{\circ}21'21''$ East, 1,348.91 feet to the center-West $1/16^{\text{th}}$ corner;
 thence along the West $1/16^{\text{th}}$ line South $01^{\circ}59'07''$ West 866.45 feet to the Southeasterly margin of the abandoned Northern Pacific Railroad Company right of way, as relocated per Decree entered June 30, 1913 in Skagit County Superior Court Cause No. 6944, being the point of beginning, said point being on a curve from which the radius point bears North $37^{\circ}24'14''$ West 4,575.00 feet;
 thence Northeasterly along said margin and curve through a central angle of $01^{\circ}28'35''$ a distance of 117.89 feet;
 thence on a radial bearing South $38^{\circ}52'49''$ East 75.00 feet;
 thence parallel to and 75.00 feet Southeasterly from said margin along a curve from which the radius bears North $38^{\circ}52'49''$ West 4,650.00 feet;
 thence Southwesterly along said curve through a central angle of $02^{\circ}48'23''$ a distance of 227.76 feet;
 thence on a radial bearing North $36^{\circ}04'26''$ West 75.00 feet to said margin being a point on a curve from which the radius point bears North $36^{\circ}04'26''$ West 4,575.00 feet;
 thence Northeasterly along said curve through a central angle of $01^{\circ}19'48''$ a distance of 106.20 feet to the point of beginning.

Situate in the County of Skagit, State of Washington.

PARCEL "B":

That portion of the Southeast $\frac{1}{4}$ of the Southeast $\frac{1}{4}$, Section 18, Township 33 North, Range 5 East, W.M., lying Easterly of the Northern Pacific Railway Co., right of way as relocated as per decree entered June 13, 1913, in Skagit County Superior Court Cause No. 6944,

EXCEPT that portion conveyed to the State of Washington by instrument recorded September 6, 1938 in Volume 175 of Deeds, page 303.

Situate in the County of Skagit, State of Washington.

Schedule "A-1"

144181-OE

DESCRIPTION CONTINUED:

PARCEL "C":

A non-exclusive easement for ingress, egress, slope and utilities over, under and across that portion of the Northern Pacific Railway Company's abandoned right of way, as relocated per Decree entered June 13, 1913, in Skagit County Superior Court Cause No. 6944, within the Southeast ¼ of Section 18, Township 33 North, Range 5 East, W.M., Skagit County, and described as follows:

Beginning at a concrete monument marking the Southeast corner of said Section 18;
thence along the South line thereof, North 88°47'35" West 173.97 feet to the Easterly margin of said Northern Pacific Railway Company right of way;
thence along said Easterly margin North 11°45'21" East 50.21 feet to the point of beginning;
thence continuing along said Easterly margin North 11°45'21" East 124.35 feet to a point of curvature concave to the Southeast from which the radius point bears South 78°14'39" East 1,780.00 feet;
thence Northeasterly along said curve 26.78 feet through a central angle of 00°51'43";
thence South 85°51'53" West 27.70 feet;
thence North 22°38'48" West 32.23 feet;
thence North 14°27'50" East 102.30 feet;
thence North 16°14'26" East 93.97 feet;
thence North 28°47'09" West 17.22 feet;
thence South 86°57'28" West 26.70 feet to the Easterly right of way margin of State Route 9, as originally deeded to Skagit County by Deed recorded December 17, 1915, under Auditor's File No. 111152, from which the centerline of said right of way measures 30.00 feet;
thence along said Easterly margin South 22°59'25" West 86.41 feet;
thence continuing along said Easterly margin South 06°56'25" West 265.20 feet;
thence North 78°55'47" East 69.48 feet to the point of beginning.

Situate in the County of Skagit, State of Washington.

EXHIBIT A
Legal Description

Legal Description:

PARCEL "A":

The West ½ of the Northeast ¼ of Section 30, Township 35 North, Range 6 East, W.M.

PARCEL "B":

A non-exclusive right and easement for ingress and egress and utilities over and across a strip of land 20 feet in width and located upon that abandoned railroad grade as the same now exists upon the following described property:

The East ½ of the Northwest ¼ of the Southeast ¼ of Section 30, Township 35 North, Range 6 East, W.M., lying North of the South Skagit Highway, EXCEPT the East 305 feet thereof.

PARCEL "C":

The West ½ of the West ½ of the Southeast ¼ of the Northeast ¼ of Section 30, Township 35 North, Range 6 East, W.M.

TOGETHER WITH a non-exclusive easement for ingress, egress and utilities over, under and across that certain private road 60 feet in width, as established by instrument recorded September 21, 1972, under Auditor's File No. 774326.

PARCEL "D":

The East ½ of the West ½ of the Southeast ¼ of the Northeast ¼ of Section 30, Township 35 North, Range 6 East, W.M.

TOGETHER WITH a non-exclusive easement for ingress, egress and utilities over, under and across that certain private road 60 feet in width, as established by instrument recorded September 21, 1972, under Auditor's File No. 774326,

EXCEPT from each of the above described Parcels "C" and "D" that portion, if any, which lies South of the old fence line as described in Judgment entered January 30, 1989, in Skagit County Superior Court Cause No. 88-2-00612-4.

CONTINUED

DESCRIPTION CONTINUED:

PARCEL "E":

The Northeast $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ of Section 30, Township 35 North, Range 6 East, W.M., less road and less portion lying South of Day Creek Road and the East 305 feet of the Northwest $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ of said Section, Township and Range, less road and portion lying South of Day Creek Road.

TOGETHER WITH that portion of the Northeast $\frac{1}{4}$ of Section 30, Township 35 North, Range 6 East, W.M., lying South of the old fence line as described in Judgments entered October 7, 1985 and January 30, 1989, in Skagit County Superior Court Cause No. 85-2-00463-1 and 88-2-00612-4, respectively,

AND EXCEPT a tract of land in the Northwest $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ of Section 30, Township 35 North, Range 6 East, W.M., described as follows:

Beginning at a point on the North line of the Day Creek Road, which is 305 feet West of the West line of the Northeast $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ of Section 30, Township 35 North, Range 6 East, W.M.;

thence in an Easterly direction along the North line of the said Day Creek Road, a distance of 151 feet;

thence North a distance of 115 feet;

thence West 55 feet;

thence North 25 feet;

thence East 55 feet;

thence North 160 feet;

thence West 151 feet to a point which is 305 feet West of the West line of the said Northeast $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ of Section 30, Township 35 North, Range 6 East, W.M.;

thence South to the point of beginning.

PARCEL "F":

That portion of the Northeast $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of Section 14, Township 34 North, Range 4 East, W.M., described as follows:

Beginning at the North $\frac{1}{4}$ corner of said Section 14;

thence South $1^{\circ}33'27''$ East along the East line of said Northwest $\frac{1}{4}$ of Section 14 a distance of 667.53 feet to the true point of beginning;

thence North $43^{\circ}22'41''$ West a distance of 276.25 feet;

thence North $51^{\circ}18'39''$ West a distance of 208.5 feet;

thence South $38^{\circ}41'21''$ West a distance of 141.16 feet to the beginning of a curve to the left having a radius of 5508.60 feet;

thence along the arc of said curve through a central angle of $4^{\circ}10'36''$ a distance of 401.56 feet;

thence South $34^{\circ}30'45''$ West a distance of 345.89 feet to the beginning of a curve to the left having a radius of 1400.85 feet;

thence along the arc of said curve through a central angle of $13^{\circ}05'09''$ an arc distance of 319.94 feet to the intersection with the South line of the Northeast $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of said Section 14;

CONTINUED

PARCEL "F" continued:

thence South 89°42'23" East along the South line of said Northeast ¼ of the Northwest ¼ a distance of 1044.12 feet to the Southeast corner of said Northeast ¼ of the Northwest ¼;
thence North 1°33'27" West along the East line of said Northeast ¼ of the Northwest ¼ a distance of 673.93 feet to the true point of beginning,

EXCEPT that portion, if any, lying within the boundaries of the State Highway right-of-way.

TOGETHER WITH that portion of the South ½ of the Northwest ¼ of the Northeast ¼ of Section 14, Township 34 North, Range 4 East, W.M., said portion being more particularly described as follows:

Beginning at the Northwest corner of said subdivision;
thence South 89°14'42" East 583.38 feet along the North line of said subdivision;
thence South 14°52'00" East 100.00 feet;
thence South 89°21'37" East 66.55 feet;
thence South 00°38'23" West 572.83 feet to the South line of said subdivision;
thence North 89°21'37" West 647.26 feet to the Southwest corner of said subdivision;
thence North 01°52'19" West 671.01 feet along the West line of said subdivision to the point of beginning.

PARCEL "G":

That portion of the Southeast ¼ of the Northwest ¼ of Section 14, Township 34 North, Range 4 East, W.M., described as follows:

Beginning at the North ¼ corner of said Section 14;
thence South along the centerline of said Section, 1,565 feet, more or less, to the Northeast corner of the South 62 rods of said Southeast ¼ of the Northwest ¼, said point being the true point of beginning;
thence West along the North line of said South 62 rods, 1,145 feet, more or less, to the East line of the County road;
thence Northeasterly along said road to the North line of the Southeast ¼ of the Northwest ¼;
thence East along the North line of said Southeast ¼ of the Northwest ¼ to the Northeast corner thereof;
thence South along the East line of said Southeast ¼ of the Northwest ¼ to the point of beginning.

EXCEPT that portion described as follows:

Beginning at the intersection of the Easterly line of Clear Lake County road and a line which is parallel to and 1,565 feet Southerly from the North line of said Section 14;
thence East along said parallel line, 250 feet;
thence North 208 feet;
thence West to the Easterly line of the County road;
thence Southwesterly along the County road to the point of beginning.

CONTINUED

DESCRIPTION CONTINUED:

PARCEL "H":

That portion of the Southeast $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of Section 14, Township 34 North, Range 4 East, W.M., described as follows:

Beginning at the intersection of the Easterly line of Clear Lake County road and a line which is parallel to and 1,565 feet Southerly from the North line of said Section 14;
thence East along said parallel line, 250 feet;
thence North 208 feet;
thence West to the Easterly line of the County road;
thence Southwesterly along County road to the point of beginning.

All situated in the County of Skagit, State of Washington.

EXHIBIT A**LEGAL DESCRIPTION:**

The West ½ of the Southwest ¼ of the Northeast ¼ and the West ½ of the Northwest ¼ of the Southeast ¼ in Section 28, Township 35 North, Range 9 East, W.M

TOGETHER WITH a non-exclusive easement for ingress, egress and utilities over and across a 60 foot right of way located on the Northerly portion of the East ½ of the Southwest ¼ of the Northeast ¼ of said Section 28, as said easement was reserved in deed recorded June 21, 1977, under Auditor's File No. 858854.

Situate in the County of Skagit, State of Washington.