

PREPARED BY AND UPON
RECORDATION RETURN TO:
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620057398

**LEASEHOLD DEED OF TRUST, ASSIGNMENT OF LEASES AND RENTS, SECURITY
AGREEMENT AND FIXTURE FILING (Security for Construction Loan)**

GRANTOR: SILFAB SOLAR WA INC.,
a Delaware corporation

GRANTEES:

Trustee: CHICAGO TITLE COMPANY OF WASHINGTON

Beneficiary: BREAKWALL CREDIT MANAGEMENT LLC

ABBREVIATED LEGAL DESCRIPTION: Lot 20, Hopper Road Business Park, 2

Additional legal on Exhibit A

**ASSESSOR'S PROPERTY TAX PARCEL/ACCOUNT
NUMBER(S):** P116593/8025-000-020-0000

**LEASEHOLD DEED OF TRUST, ASSIGNMENT OF LEASES AND RENTS,
SECURITY AGREEMENT AND FIXTURE FILING (Security for Construction Loan)**

THIS LEASEHOLD DEED OF TRUST, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING (Security for Construction Loan) (as amended, modified, restated and/or supplemented from time to time, this "**Security Instrument**") is made and effective as of this 18th day of November, 2024, by **SILFAB SOLAR WA INC.**, a Delaware corporation, having an address at 240 Courtneypark Drive East, Mississauga, ON, L5T 2S5 (together with its permitted successors and permitted assigns, "**Grantor**"), as grantor, to **CHICAGO TITLE COMPANY OF WASHINGTON**, having an address at 701 Fifth Avenue, Suite 2700, Seattle, WA 98104 ("**Trustee**"), as trustee, for the benefit of **BREAKWALL CREDIT MANAGEMENT LLC**, in its capacity as Collateral Agent for the Secured Parties, as beneficiary and as grantee (in such capacities and, together with its respective successors and assigns, "**Agent**"), having an address at 4900 Woodway Drive, Suite 540, Houston, TX 77056.

WITNESSETH:

WHEREAS, Silfab Inc., a Delaware corporation ("**Borrower**"), and Silfab Solar Inc., an Ontario corporation ("**Holdings**"), are party to that certain Senior Secured Delayed Draw Term Loan Credit Agreement dated as of the date hereof (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "**Credit Agreement**") among, *inter alios*, Borrower, Holdings, the Lenders from time to time party thereto, and Agent;

WHEREAS, pursuant to the Credit Agreement, the Lenders have severally agreed to make Loans to Borrower upon the terms and subject to the conditions set forth therein;

WHEREAS, pursuant to that certain U.S. Guarantee and Collateral Agreement dated as of the date hereof (as amended, restated, supplemented or otherwise modified from time to time, the "**Guarantee**") made by Grantor and the other grantors party thereto in favor of Agent, Grantor has agreed to unconditionally and irrevocably guarantee, as primary obligor and not merely as surety, to Agent for the benefit of the Secured Parties the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of the Secured Obligations (as defined hereafter);

WHEREAS, Grantor acknowledges that it will derive substantial direct and/or indirect benefits from the making of the Loans;

WHEREAS, Grantor desires to secure the payment and performance of the Obligations (as defined herein) and the performance of all of its obligations under the Credit Agreement and the other Loan Documents (as defined herein); and

WHEREAS, this Security Instrument is given as a condition to the Credit Agreement, and payment, fulfillment, and performance by Borrower of Borrower's obligations thereunder and under the other documents are secured hereby, and each and every term and provision of the Credit

Agreement, including the rights, remedies, obligations, covenants, conditions, agreements, indemnities, representations and warranties of the parties therein, are hereby incorporated by reference herein as though set forth in full and shall be considered a part of this Security Instrument (the Credit Agreement, the Guarantee, this Security Instrument, the other Loan Documents (as defined in the Credit Agreement), and all other documents heretofore, concurrently herewith or at any time hereafter executed by Borrower, Grantor, or any other Loan Party to evidence or secure the Obligations are hereinafter referred to collectively as the "**Loan Documents**").

NOW THEREFORE, in consideration of the foregoing premises, the covenants, agreements, representations, and warranties set forth herein and in the Credit Agreement, the Guarantee, and the other Loan Documents, the making of the Loans to Borrower, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, to induce Agent and the Lenders to enter into the Credit Agreement and to induce the Lenders to make their respective Loans to Borrower and to secure the Obligations, Grantor hereby agrees as follows:

ARTICLE 1 - GRANTS OF SECURITY

Section 1.1 **PROPERTY MORTGAGED.** Grantor does hereby mortgage, grant, bargain, sell, pledge, assign, warrant, transfer and convey to Trustee IN TRUST, WITH POWER OF SALE AND RIGHT OF ENTRY AND POSSESSION for the benefit and security of Agent, and grant a security interest to Agent in, all of Grantor's right, title, interest and privileges in, to and under the Mortgaged Lease, together with any property, rights, interests and estates now owned, or hereafter acquired by Grantor (collectively, the "**Property**");

(a) **Land.** The real property described in **Exhibit A** attached hereto and made a part hereof, including the leasehold estate created pursuant to the Mortgaged Lease (as hereinafter defined) (the "**Land**");

(b) **Mortgaged Lease.** That certain Lease dated as of February 28, 2021, by and between 1770 Port Drive LLC (as successor in interest to Alaska Electrical Pension Fund Real Estate Title Holding Corporation) a Washington limited liability corporation, as landlord, and Grantor, as tenant as amended by the First Amendment to Lease dated as of July 23, 2021 and by that certain Second Amendment to Lease dated as of October 31, 2024 (the "**Mortgaged Lease**"), pursuant to which Grantor leases all or a portion of the Land, a memorandum of which is to be recorded immediately prior to the recording of this document, together with all assignments, modifications, extensions and renewals of the Mortgaged Lease and all credits, deposits, options, privileges and rights of Grantor as tenant under the Mortgaged Lease, including, but not limited to, rights of first refusal, if any, and the right, if any, to renew or extend the Mortgaged Lease for a succeeding term or terms and the option to purchase, if any, all or any portion of the Premises (as defined in Section 6.1 of the Summary of the Mortgaged Lease) demised under the Mortgaged Lease.

(c) **Additional Land.** All additional lands, estates and development rights (including, without limitation, any inclusionary housing floor area ratio bonus) hereafter acquired by Grantor

for use in connection with the Land and the development of the Land and all additional lands and estates therein which may, from time to time, by supplemental mortgage or otherwise be expressly made subject to the lien of this Security Instrument (the "**Additional Land**");

(d) **Improvements.** The buildings, foundations, structures, fixtures, additions, enlargements, extensions, modifications, repairs, replacements and improvements now or hereafter erected or located on the Land or the Additional Land (collectively, the "**Improvements**");

(e) **Appurtenances.** All of Grantor's right and interest in and to (i) all air, light lateral support and development rights (including, without limitation, any inclusionary housing floor area ratio bonus) now or hereafter pertaining to or used in connection with the Land; (ii) all and singular, the tenements, hereditaments, rights of way, easements, appendages and appurtenances and property now or hereafter belonging or in any way appertaining to the Land; and (iii) all estate, right, title, claim or demand whatsoever, either at law or in equity, in possession or expectancy, of, in and to the Land (collectively, the "**Appurtenances**");

(f) **Easements.** All easements, rights-of-way or use, rights, strips and gores of land, streets, ways, alleys, passages, sewer rights, water, water courses, water rights and powers, air rights and development rights (including, without limitation, any inclusionary housing floor area ratio bonus), excess or unused zoning floor area development rights (including, without limitation, any inclusionary housing floor area ratio bonus), abatements, zoning floor area bonuses, zoning incentives or awards, and all estates, rights, titles, interests, privileges, liberties, servitudes, tenements, hereditaments and appurtenances of any nature whatsoever, in any way now or hereafter belonging, appurtenant to, relating or pertaining to the Land, the Additional Land and the Improvements or otherwise owned by or available to Grantor and the reversion and reversions, remainder and remainders, and all land lying in the bed of any street, road or avenue, opened or proposed, in front of or adjoining the Land, to the center line thereof and all the estates, rights, titles, interests, dower and rights of dower, curtesy and rights of curtesy, property, possession, claim and demand whatsoever, both at law and in equity, of Grantor of, in and to the Land or the Additional Land and the Improvements and every part and parcel thereof, with the appurtenances thereto, including any and all of the foregoing under or by virtue of the Mortgaged Lease;

(g) **Equipment.** All "equipment," as such term is defined in Article 9 of the Uniform Commercial Code (as hereinafter defined), now owned or hereafter acquired by Grantor, which is used at or in connection with the Improvements or the Land or is located thereon or therein (including, but not limited to, all machinery, equipment, furnishings, and electronic data-processing and other office equipment now owned or hereafter acquired by Grantor and any and all additions, substitutions and replacements of any of the foregoing), together with all attachments, components, parts, equipment and accessories installed thereon or affixed thereto (collectively, the "**Equipment**");

(h) **Fixtures.** All Equipment now owned, or the ownership of which is hereafter acquired, by Grantor which is so related to the Land or the Additional Land and Improvements forming part of the Property that it is deemed fixtures or real property under the law of the

particular state in which the Equipment is located, including, without limitation, all building or construction materials intended for construction, reconstruction, alteration or repair of or installation on the Property, construction equipment, appliances, machinery, plant equipment, fittings, apparatuses, fixtures and other items now or hereafter attached to, installed in or used in connection with (temporarily or permanently) any of the Improvements or the Land or the Additional Land, including, but not limited to, engines, devices for the operation of pumps, pipes, plumbing, cleaning, call and sprinkler systems, fire extinguishing apparatuses and equipment, heating, ventilating, plumbing, laundry, incinerating, electrical, air conditioning and air cooling equipment and systems, gas and electric machinery, appurtenances and equipment, pollution control equipment, security systems, disposals, dishwashers, refrigerators and ranges, recreational equipment and facilities of all kinds, and water, gas, electrical, storm and sanitary sewer facilities, utility lines and equipment (whether owned individually or jointly with others, and, if owned jointly, to the extent of Grantor's interest therein) and all other utilities whether or not situated in easements, all water tanks, water supply, water power sites, fuel stations, fuel tanks, fuel supply, and all other structures, together with all accessions, appurtenances, additions, replacements, betterments and substitutions for any of the foregoing and the proceeds thereof (collectively, the **"Fixtures"**);

(i) **Personal Property.** All furniture, furnishings, objects of art, machinery, goods, tools, supplies, appliances, equipment, inventory, general intangibles, contract rights (including without limitation the Material Project Documents and the Material Agreements), the Governmental Approvals (to the extent permitted by applicable law), accounts, documents, instruments, payment intangibles, franchises, licenses, certificates and permits, supporting obligations, and all other personal property of any kind or character whatsoever (as defined in and subject to the provisions of the Uniform Commercial Code as hereinafter defined), other than Fixtures, which are now or hereafter owned by Grantor and which are located within or about the Land and the Improvements, together with all accessories, replacements and substitutions thereto or therefor and the proceeds thereof (collectively, the **"Personal Property"**), and the right, title and interest of Grantor in and to any of the Personal Property which may be subject to any security interests, as defined in the Uniform Commercial Code, as adopted and enacted by the state, states, commonwealth or commonwealths where any of the Property is located (the **"Uniform Commercial Code"**), superior in lien to the lien of this Security Instrument and all proceeds and products of the above;

(j) **Leases and Rents.** All leases (including, without limitation, the Mortgaged Lease), subleases, subsubleases, lettings, licenses, concessions or other agreements (whether written or oral and whether now or hereafter in effect) pursuant to which any Person is granted a possessory interest in, or right to use or occupy all or any portion of the Land and the Improvements, and every modification, amendment or other agreement relating to such leases, subleases, subsubleases, or other agreements entered into in connection with such leases, subleases, subsubleases, or other agreements and every guarantee of the performance and observance of the covenants, conditions and agreements to be performed and observed by the other party thereto, heretofore or hereafter entered into, whether before or after the filing by or against Grantor of any petition for relief under 11 U.S.C. §101 et seq., as the same may be amended from time to time (the **"Bankruptcy Code"**) (collectively, the **"Leases"**) and all right, title and interest of Grantor,

its successors and assigns therein and thereunder, including, without limitation, cash, letters of credit or securities deposited thereunder to secure the performance by the lessees of their obligations thereunder and all rents, additional rents, rent equivalents, moneys payable as damages or in lieu of rent or rent equivalents, early termination fees and payments and other termination fees and payments, royalties (including, without limitation, all oil and gas or other mineral royalties and bonuses), income, receivables, receipts, revenues, deposits (including, without limitation, security, utility and other deposits), accounts, cash, issues, profits, charges for services rendered, and other consideration of whatever form or nature received by or paid to or for the account of or benefit of Grantor or its agents or employees from any and all sources arising from or attributable to the Land and the Improvements, including all receivables, customer obligations, installment payment obligations and other obligations now existing or hereafter arising or created out of the sale, lease, sublease, license, concession or other grant of the right of the use and occupancy of property or rendering of services by Grantor and proceeds, if any, from business interruption or other loss of income insurance whether paid or accruing before or after the filing by or against Grantor of any petition for relief under the Bankruptcy Code, and all of Grantor's claims and rights to the payment of damages arising from the rejection by a tenant of any Lease (collectively, the "Rents") and all proceeds from the sale or other disposition of the Leases and the right to receive and apply the Rents to the payment of the Obligations;

(k) Condemnation Awards. All awards or payments, including interest thereon, which may heretofore and hereafter be made with respect to the Property, whether from the exercise of the right of eminent domain (including but not limited to any transfer made in lieu of or in anticipation of the exercise of such right), or for a change of grade, or for any other injury to or decrease in the value of the Property;

(l) Insurance Proceeds. All proceeds in respect of the Property under any insurance policies covering the Property, including, without limitation, the right to receive and apply the proceeds of any insurance, judgments, or settlements made in lieu thereof, for damage to the Property;

(m) Tax Certiorari. All refunds, rebates or credits in connection with reduction in real estate taxes and assessments charged against the Property as a result of tax certiorari or any applications or proceedings for reduction;

(n) Rights. The right, in the name and on behalf of Grantor, to appear in and defend any action or proceeding brought with respect to the Property and to commence any action or proceeding to protect the interest of Agent in the Property;

(o) Agreements. All agreements, contracts, certificates, instruments, franchises, permits, licenses, plans, specifications and other documents, now or hereafter entered into, and all extensions, amendments and modifications thereto, and all rights therein and thereto, respecting or pertaining to the use, occupation, construction, management or operation of the Land and any part thereof and any Improvements or respecting any business or activity conducted on the Land and any part thereof and all right, title and interest of Grantor therein and thereunder, including,

without limitation, the right, upon the occurrence and during the continuance of an Event of Default, to receive and collect any sums payable to Grantor thereunder;

(p) Trademarks. All tradenames, trademarks, servicemarks, logos, copyrights, goodwill, books and records and all other general intangibles relating to or used in connection with the operation of the Property;

(q) Accounts. All reserves, escrows and deposit accounts maintained by Grantor with respect to the Property, including, without limitation, all accounts established or maintained pursuant to the Credit Agreement; together with all deposits or wire transfers made to such accounts and all cash, checks, drafts, certificates, securities, investment property, financial assets, instruments and other property held therein from time to time and all proceeds, products, distributions or dividends or substitutions thereon and thereof;

(r) Uniform Commercial Code Property. All documents, instruments, accounts, chattel paper and intangibles, as the foregoing terms are defined in the Uniform Commercial Code, and general intangibles relating to the Property;

(s) Minerals; Vegetation. All minerals, crops, timber, trees, shrubs, flowers and landscaping features now or hereafter located on, under or above the Land;

(t) Proceeds. All proceeds of any of the foregoing, including, without limitation, proceeds of insurance and condemnation awards, whether cash, liquidation or other claims or otherwise; and

(u) Other Rights. Any and all other rights of Grantor in and to the items set forth in Subsections (a) through (t) above.

AND without limiting any of the other provisions of this Security Instrument, to the extent permitted by applicable law, Grantor MORTGAGES, GRANTS, BARGAINS, ASSIGNS, SELLS AND CONVEYS WITH POWER OF SALE, and grants a security interest in, to Agent the Property which is or may be subject, however, to the provisions of the Uniform Commercial Code which are applicable to secured transactions, TO HAVE AND TO HOLD the Property to Agent, and Grantor does hereby bind itself, its successors and assigns to WARRANT AND FOREVER DEFEND the title to the Property unto Agent for so long as any of the Obligations remain outstanding, upon the trust, terms and conditions contained herein; it being understood and agreed that the Improvements and Fixtures are part and parcel of the Land (the Land, the Additional Land, the Improvements and the Fixtures collectively referred to as the "Real Property") appropriated to the use thereof and, whether affixed or annexed to the Real Property or not, shall for the purposes of this Security Instrument be deemed conclusively to be real estate and mortgaged hereby.

Section 1.2 ASSIGNMENT OF RENTS. Grantor hereby absolutely and unconditionally assigns to Agent all of Grantor's right, title and interest in and to all current and future Leases and Rents. This assignment is intended as security for the Obligations pursuant to RCW 7.28.230 and is intended to be specific, perfected and choate upon the recording of this Security Instrument as provided in RCW 7.28.230. Nevertheless, Agent grants to Grantor a revocable license to (i) operate

and manage the Property and (ii) collect, receive, use and enjoy the Rents prior to Agent's revocation of such license upon the occurrence and during the continuance of an Event of Default. Grantor shall, subject to and in accordance with the terms of the Credit Agreement, hold the Rents (or a portion thereof) sufficient to discharge all current sums due on the Obligations, in trust for the benefit of Agent, for use in the payment of such sums.

Section 1.3 SECURITY AGREEMENT. This Security Instrument is both a real property mortgage or deed of trust and a "security agreement" within the meaning of the Uniform Commercial Code. The Property includes both real and personal property and all other rights and interests, whether tangible or intangible in nature, of Grantor in the Property. By executing and delivering this Security Instrument, Grantor hereby grants to Agent and Trustee, as security for the Obligations, a security interest in the Fixtures, the Equipment, the Personal Property and the other property constituting the Property to the full extent that the Fixtures, the Equipment, the Personal Property and such other property may be subject to the Uniform Commercial Code (said portion of the Property so subject to the Uniform Commercial Code being called the "**Collateral**"). If an Event of Default shall occur and be continuing, Agent and Trustee, each acting individually, in addition to any other rights and remedies which it may have, shall have and may exercise immediately and without demand, any and all rights and remedies granted to a secured party upon default under the Uniform Commercial Code, including, without limiting the generality of the foregoing, the right to take possession of the Collateral or any part thereof, and to take such other measures as Agent or Trustee may deem necessary for the care, protection and preservation of the Collateral. Upon request or demand of Agent or Trustee after the occurrence and during the continuance of an Event of Default, Grantor shall, at its expense, assemble the Collateral and make it available to Agent or Trustee at a convenient place (at the Land if tangible property) reasonably acceptable to Agent. Grantor shall pay to Agent on demand any and all expenses, including legal expenses and attorneys' fees, incurred or paid by Agent or Trustee in protecting its interest in the Collateral and in enforcing its rights hereunder with respect to the Collateral after the occurrence and during the continuance of an Event of Default. Any notice of sale, disposition or other intended action by Agent or Trustee with respect to the Collateral sent to Grantor in accordance with the provisions hereof at least ten (10) Business Days prior to such action, shall, except as otherwise provided by applicable law, constitute reasonable notice to Grantor. The proceeds of any disposition of the Collateral, or any part thereof, may, except as otherwise required by applicable law, be applied by Agent to the payment of the Obligations in such priority and proportions as Agent in its discretion shall deem proper. The principal place of business or chief executive office (as applicable) of Grantor (Debtor) is as set forth in Section 1.4 and the address of Agent (Secured Party) is as set forth in Section 1.4.

Section 1.4 FIXTURE FILING. Certain of the Property is or will become "fixtures" (as that term is defined in the Uniform Commercial Code) on the Land, described or referred to in this Security Instrument, and this Security Instrument, upon being filed of record in the real estate records of the city or county wherein such fixtures are situated, and is acknowledged and agreed to be a "construction mortgage" under the UCC, shall operate also as a financing statement naming Grantor as Debtor and Agent as Secured Party filed as a fixture filing in accordance with the applicable provisions of said Uniform Commercial Code upon such of the Property that is or may become fixtures. As to all of the above described Property which is or which hereafter becomes a

"fixture" under applicable law, this Security Instrument constitutes a fixture filing under the Uniform Commercial Code. This Security Instrument creates a security interest in the Collateral, and, to the extent the Collateral is not real property, this Security Instrument constitutes a security agreement from Grantor to Agent under the Uniform Commercial Code.

Name of Debtor: **Silfab Solar WA Inc.**

Debtor's Address: **240 Courtneypark Drive East, Mississauga, ON, L5T 2S5**

Debtor's Jurisdiction of Organization: **Delaware**

Debtor's Organizational I.D. No.: **7020799**

Name of Secured Party: **BREAKWALL CREDIT MANAGEMENT LLC**

Secured Party's Address: **4900 Woodway Drive, Suite 540 Houston, TX 77056**

Collateral Covered by Financing Statement: **As described in Section 1.3**

Place of Filing: **To be filed in the Real Property Records of Skagit County, State of Washington**

Description of Property to which Collateral is Related: **See attached Exhibit A**

Owner of Record of the Property is: **1770 Port Drive LLC, a Washington limited liability company**

Grantor hereby authorizes Agent at any time and from time to time to file any initial financing statements, amendments thereto and continuation statements to the extent permitted by applicable law, as applicable with respect to all or part of the Personal Property as Agent deems necessary to perfect the security interests granted herein. Such financing statements may indicate or describe the collateral in any manner Agent chooses, including, without limitation, describing such collateral as "all assets of Debtor, whether now owned or hereafter acquired," "all personal property of Debtor, whether now owned or hereafter acquired," or using words of similar import.

Section 1.5 **PLEDGES OF MONIES HELD.** Grantor hereby pledges to Agent any and all monies now or hereafter held by Agent or on behalf of Agent in connection with the Loans as additional security for the Obligations until expended or applied as provided in this Security Instrument or the Credit Agreement.

CONDITIONS TO GRANT

TO HAVE AND TO HOLD the above granted and described Property unto and to the use and benefit of Trustee and its successors and assigns, IN TRUST WITH POWER OF SALE, for the use and benefit of Agent and its successors and assigns, forever;

PROVIDED, HOWEVER, these presents are upon the express condition that, if Grantor shall well and truly pay to Agent the Obligations at the time and in the manner provided in the Guarantee, the Credit Agreement and this Security Instrument, shall well and truly perform the Other Obligations as set forth in this Security Instrument and shall well and truly abide by and comply with each and every covenant and condition set forth herein and in the Guarantee, the Credit Agreement and the other Loan Documents, and Payment in Full shall otherwise occur, these presents and the estate hereby granted shall cease, terminate and be void; provided, however, that

Grantor's obligation to indemnify and hold harmless Agent and Trustee pursuant to the provisions hereof shall survive any such payment or release. Upon the payment of the Guarantee in full, the satisfaction of the Obligations, and the termination or expiration of the Commitments, Agent shall, at Grantor's cost and expense and upon Grantor's written request, release this Security Instrument and the lien hereof by appropriate instrument and shall cause Trustee to reconvey the Property.

ARTICLE 2 - DEBT AND OBLIGATIONS SECURED

Section 2.1 SECURED OBLIGATIONS. This Security Instrument and the grants, assignments and transfers made in Article 1 are given for the purpose of securing the full and timely payment and performance of any and all amounts owing or to be owing (including interest accruing at any post-default rate and interest accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to Borrower, Grantor, or any other Group Member, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) by Borrower, Grantor, or any other Group Member (whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising) to the Agent or any Lender or any other Secured Party under the Credit Agreement or any other Loan Document or paid on behalf of Borrower, Grantor, any other Loan Party or any other Group Member by the Agent or any of its Affiliates and (b) all renewals, restatements, extensions and/or rearrangements of any of the above. Without limitation of the foregoing, the term "Secured Obligations" shall include the unpaid principal or premium (if any) of and interest on the Loans (including, without limitation, interest accruing at the then applicable rate provided in the Credit Agreement after the maturity of the Loans and interest accruing at the then applicable rate provided in the Credit Agreement after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to Borrower, Grantor, or any other Group Member, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding), reimbursement obligations and unpaid amounts, fees, expenses, indemnities, costs, and all other obligations and liabilities of every nature of Borrower, Grantor, or any other Group Member, whether absolute or contingent, due or to become due, now existing or hereafter arising under the Credit Agreement and the other Loan Documents (collectively, the "Secured Obligations").

Section 2.2 OTHER OBLIGATIONS. This Security Instrument and the grants, assignments and transfers made in Article 1 are also given for the purpose of securing the following (the "Other Obligations"):

- (a) the performance of all other obligations of Grantor contained herein;
- (b) the performance of each obligation of Grantor contained in the Credit Agreement and any other Loan Document (except as set forth in Section 17.4 hereof); and
- (c) the performance of each obligation of Grantor contained in any renewal, extension, amendment, modification, consolidation, change of, or substitution or replacement for, all or any part of the Guarantee, the Credit Agreement or any other Loan Document.

Section 2.3 SECURED OBLIGATIONS AND OTHER OBLIGATIONS. The Secured Obligations and the Other Obligations shall be referred to collectively herein as the "Obligations."

ARTICLE 3 - GRANTOR COVENANTS

Grantor covenants and agrees with Agent that until Payment in Full:

Section 3.1 PAYMENT OF OBLIGATIONS. The payment and performance of the Obligations will be made at the time and in the manner provided in the Credit Agreement, the Guarantee, this Security Instrument, and the other Loan Documents.

Section 3.2 INCORPORATION BY REFERENCE. All the covenants, conditions and agreements of Grantor contained in (a) the Credit Agreement, (b) the Guarantee and (c) all and any of the other Loan Documents are hereby made a part of this Security Instrument to the same extent and with the same force as if fully set forth herein (except as set forth in Section 17.4 hereof).

Section 3.3 INSURANCE. Grantor shall obtain and maintain, or cause to be maintained, in full force and effect at all times insurance with respect to Grantor and the Property as required pursuant to the Credit Agreement.

Section 3.4 MAINTENANCE OF PROPERTY. Grantor shall cause the Property to be maintained in a good and safe condition and repair. The Improvements, the Fixtures, the Equipment and the Personal Property shall not be removed, demolished or materially altered (except for normal replacement of the Fixtures, the Equipment or the Personal Property, tenant finish and refurbishment of the Improvements) without the consent of Agent. Grantor shall promptly repair, replace or rebuild any part of the Property which may be destroyed by any Casualty Event or become damaged, worn or dilapidated or which may be affected by any Condemnation Event, and shall complete and pay for any structure at any time in the process of construction or repair on the Land.

Section 3.5 WASTE. Grantor shall not commit or suffer any waste of the Property or make any change in the use of the Property which will in any way materially increase the risk of fire or other hazard arising out of the operation of the Property, or take any action that might invalidate or allow the cancellation of any Title Policy, or do or permit to be done thereon anything that may in any way materially impair the value of the Property or the security of this Security Instrument. Grantor will not, without the prior written consent of Agent, permit any drilling or exploration for or extraction, removal, or production of any minerals from the surface or the subsurface of the Land, regardless of the depth thereof or the method of mining or extraction thereof.

Section 3.6 PAYMENT FOR LABOR AND MATERIALS. Grantor will promptly pay when due all bills and costs for labor, materials, and specifically fabricated materials incurred in connection with the Property and not permit to exist beyond the due date thereof in respect of the Property or any part thereof any lien or security interest, even though inferior to the liens and the security interests created hereby and by the other Loan Documents, and in any event not permit to be created or exist in respect of the Property or any part thereof any other or additional lien or

security interest other than the liens or security interests created hereby and by the other Loan Documents except for Permitted Liens.

Section 3.7 INTENTIONALLY OMITTED.

Section 3.8 PERFORMANCE OF OTHER AGREEMENTS. Grantor shall observe and perform each and every term, covenant and provision to be observed or performed by Grantor pursuant to the Credit Agreement, any other Loan Document and any other agreement or recorded instrument affecting or pertaining to the Property and any amendments, modifications or changes thereto.

Section 3.9 CHANGE OF NAME, IDENTITY OR STRUCTURE. Grantor shall not change Grantor's name, identity (including its trade name or names) or, if not an individual, Grantor's corporate, partnership, limited liability company or other structure without first (a) notifying Agent of such change in writing at least fifteen (15) days prior to the effective date of such change, (b) taking all action required by Agent for the purpose of perfecting or protecting the lien and security interest of Agent and (c) in the case of a change in Grantor's structure, without first obtaining the prior written consent of Agent. Grantor shall promptly notify Agent in writing of any change in its organizational identification number. If Grantor does not now have an organizational identification number and later obtains one, Grantor shall promptly notify Agent in writing of such organizational identification number. Grantor shall execute and deliver to Agent, prior to or contemporaneously with the effective date of any such change, any financing statement or financing statement change required by Agent to establish or maintain the validity, perfection and priority of the security interest granted herein. At the request of Agent, Grantor shall execute a certificate in form satisfactory to Agent listing the trade names under which Grantor intends to operate the Property, and representing and warranting that Grantor does business under no other trade name with respect to the Property.

Section 3.10 FIRST LIEN STATUS. Grantor shall preserve and protect the first lien and security interest status of this Security Instrument. If any lien other than a Permitted Lien is asserted against the Mortgaged Lease, Grantor shall, at its expense, promptly take such action as may be required pursuant to the Credit Agreement so as to cause it to be released or contested (including, if applicable, the requirement of providing a bond or other security reasonably satisfactory to Agent, if any, in the manner required by the Credit Agreement).

ARTICLE 4 - OBLIGATIONS AND RELIANCES

Section 4.1 RELATIONSHIP OF GRANTOR AND AGENT. The relationship between Grantor and Agent is solely that of debtor and creditor, and Agent has no fiduciary or other special relationship with Grantor, and no term or condition of any of the Credit Agreement, the Guarantee, this Security Instrument and the other Loan Documents shall be construed so as to deem the relationship between Grantor and Agent to be other than that of debtor and creditor.

Section 4.2 NO RELIANCE ON AGENT. The general partners, members, shareholders, principals and (if Grantor is a trust) beneficial owners of Grantor, as applicable, are experienced in the ownership and operation of properties similar to the Property, and Agent is relying solely upon such expertise and business plan in connection with the ownership and operation of the

Property. Grantor is not relying on Agent's expertise, business acumen or advice in connection with the Property.

Section 4.3 NO AGENT OBLIGATIONS.

(a) Notwithstanding the provisions of Subsections 1.1(i) or Section 1.2, Agent is not undertaking the performance of (i) any obligations under the Leases; or (ii) any obligations with respect to such agreements, contracts, certificates, instruments, franchises, permits, trademarks, licenses and other documents.

(b) By accepting or approving anything required to be observed, performed or fulfilled or to be given to Agent pursuant to this Security Instrument, the Mortgaged Lease, Credit Agreement, the Guarantee or the other Loan Documents, including, without limitation, any officer's certificate, balance sheet, statement of profit and loss or other financial statement, survey, appraisal, or insurance policy, Agent shall not be deemed to have warranted, consented to, or affirmed the sufficiency, the legality or effectiveness of same, and such acceptance or approval thereof shall not constitute any warranty or affirmation with respect thereto by Agent.

Section 4.4 RELIANCE. Grantor recognizes and acknowledges that in accepting the Credit Agreement, the Guarantee, this Security Instrument and the other Loan Documents, Agent and Lenders are expressly and primarily relying on the truth and accuracy of the warranties and representations set forth in Article VIII of the Credit Agreement without any obligation to investigate the Property and notwithstanding any investigation of the Property by Agent or the Lenders; that such reliance existed on the part of Agent and Lenders prior to the date hereof, that the warranties and representations are a material inducement to the Lenders in making the Loans; and that Lenders would not be willing to make the Loans and accept this Security Instrument in the absence of the warranties and representations as set forth in Article VIII of the Credit Agreement.

ARTICLE 5 - FURTHER ASSURANCES

Section 5.1 RECORDING OF SECURITY INSTRUMENT, ETC. Grantor forthwith upon the execution and delivery of this Security Instrument and thereafter, from time to time, will cause this Security Instrument and any of the other Loan Documents creating a lien or security interest or evidencing the lien hereof upon the Property and each instrument of further assurance to be filed, registered or recorded in such manner and in such places as may be required by any present or future law in order to publish notice of and fully to protect and perfect the lien or security interest hereof upon, and the interest of Agent in, the Property. Grantor will pay all taxes, filing, registration or recording fees, and all expenses incident to the preparation, execution, acknowledgment and/or recording of the Guarantee, this Security Instrument, the other Loan Documents, any note, deed of trust or mortgage supplemental hereto, any security instrument with respect to the Property and any instrument of further assurance, and any modification or amendment of the foregoing documents, and all federal, state, county and municipal taxes, duties, imposts, assessments and charges arising out of or in connection with the execution and delivery of this Security Instrument, any deed of trust or mortgage supplemental hereto, any security

instrument with respect to the Property or any instrument of further assurance, and any modification or amendment of the foregoing documents, except where prohibited by law so to do, and Grantor shall hold harmless and indemnify Agent against any liability incurred by reason of the imposition of any tax on the issuance, making, filing, registration or recording of this Security Instrument.

Section 5.2 FURTHER ACTS, ETC. Grantor will, at the cost of Grantor, and without expense to Agent, do, execute, acknowledge and deliver all and every such further acts, deeds, conveyances, deeds of trust, mortgages, assignments, notices of assignments, transfers and assurances as Agent shall, from time to time, reasonably require, for the better assuring, conveying, assigning, transferring, and confirming unto Agent and/or Trustee the property and rights hereby mortgaged, deeded, granted, bargained, sold, conveyed, confirmed, pledged, assigned, warranted and transferred or intended now or hereafter so to be, or which Grantor may be or may hereafter become bound to convey or assign to Agent and/or Trustee, or for carrying out the intention or facilitating the performance of the terms of this Security Instrument or for filing, registering or recording this Security Instrument, or for complying with all Governmental Requirements. Grantor, on demand, will execute and deliver, and in the event it shall fail to so execute and deliver, hereby authorizes Agent and Trustee to execute in the name of Grantor or without the signature of Grantor to the extent Agent may lawfully do so, one or more financing statements (including, without limitation, initial financing statements and amendments thereto and continuation statements) with or without the signature of Grantor as authorized by applicable law, to evidence more effectively the security interests and other liens of Agent in the Property. Grantor also ratifies its authorization for Agent to have filed any like initial financing statements, amendments thereto and continuation statements, if filed prior to the date of this Security Instrument. Grantor grants to Agent and Trustee an irrevocable power of attorney coupled with an interest for the purpose of exercising and perfecting any and all rights and remedies available to Agent at law and in equity, including without limitation such rights and remedies available to Agent pursuant to this Section 5.2. To the extent not prohibited by applicable law, Grantor hereby ratifies all acts Agent or Trustee has lawfully done in the past or shall lawfully do or cause to be done in the future by virtue of such power of attorney.

Section 5.3 CHANGES IN TAX, DEBT, CREDIT AND DOCUMENTARY STAMP LAWS.

(a) If any law is enacted or adopted or amended after the date of this Security Instrument which deducts the Obligations from the value of the Property for the purpose of taxation or which imposes a tax, either directly or indirectly, on the Obligations or Agent's interest in the Property, Grantor will pay the tax, with interest and penalties thereon, if any. If Agent is advised by counsel chosen by it that the payment of tax by Grantor would be unlawful or taxable to Agent or unenforceable or provide the basis for a defense of usury then Agent shall have the option by written notice of not less than one hundred twenty (120) days to declare the Obligations immediately due and payable.

(b) Grantor will not claim or demand or be entitled to any credit or credits on account of the Obligations for any part of the Taxes assessed against the Property, or any part thereof, and no deduction shall otherwise be made or claimed from the assessed value of the Property, or any

part thereof, for real estate tax purposes by reason of this Security Instrument or the Obligations. If such claim, credit or deduction shall be required by law, Agent shall have the option, by written notice of not less than one hundred twenty (120) days, to declare the Obligations immediately due and payable.

(c) If at any time the United States of America, any State thereof or any subdivision of any such State shall require revenue or other stamps to be affixed to the Guarantee, this Security Instrument, or any of the other Loan Documents or impose any other tax or charge on the same, Grantor will pay for the same, with interest and penalties thereon, if any.

Section 5.4 SPLITTING OF SECURITY INSTRUMENT. This Security Instrument shall, at any time until the same shall be fully paid and satisfied, at the sole election of Agent, pursuant to the terms of the Credit Agreement and the other Loan Documents be split or divided into two or more security instruments, each of which shall cover all or a portion of the Property to be more particularly described therein. To that end, Grantor, promptly upon written request of Agent, shall execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered by the then owner of the Property, to Agent and/or its designee or designees substitute security instruments in such principal amounts, containing the same terms, provisions and clauses to those contained herein, and such other documents and instruments as may be required by Agent.

Section 5.5 NO OFFSETS OR COUNTERCLAIMS. Grantor represents and warrants as of the date hereof that there are no offsets, counterclaims or defenses against the Obligations, this Security Instrument or the Guarantee, that Grantor has full power, authority and legal right to execute this Security Instrument and to keep and observe all of the terms and provisions of this Security Instrument on Grantor's part to be observed or performed and that the Guarantee and this Security Instrument constitute valid and binding obligations of Grantor.

ARTICLE 6 - DUE ON SALE/ENCUMBRANCE

Section 6.1 AGENT RELIANCE. Grantor acknowledges that Agent has examined and relied on the experience of Grantor and its general partners, members, shareholders, principals and (if Grantor is a trust) beneficial owners in owning and operating properties such as the Property in agreeing to make the Loans, and will continue to rely on Grantor's ownership of the Property as a means of maintaining the value of the Property as security for the payment and performance of the Obligations. Grantor acknowledges that Agent has a valid interest in maintaining the value of the Property so as to ensure that, should Grantor default in the repayment or performance of the Obligations, Agent can recover the Obligations by a sale of the Property.

Section 6.2 NO TRANSFER. Except as expressly permitted by the Credit Agreement, Grantor shall not, without the prior written consent of Agent, sell, lease or convey all or any part of the Property.

ARTICLE 7 - RIGHTS AND REMEDIES UPON DEFAULT

Section 7.1 **REMEDIES.** Upon the occurrence and during the continuance of any Event of Default, Grantor agrees that Agent or Trustee may take such action, without notice or demand, as it deems advisable to protect and enforce its rights against Grantor and in and to the Property, including, but not limited to, the following actions, each of which may be pursued concurrently or otherwise, at such time and in such order as Agent or Trustee may determine, in its sole discretion, without impairing or otherwise affecting any other rights and remedies of Agent or Trustee (for the avoidance of doubt, all powers, rights and privileges granted to Agent or Trustee herein may be exercised by Agent, by Trustee and/or by Agent and Trustee):

- (a) declare the entire unpaid Obligations to be immediately due and payable;
- (b) give such notice of default and of election to cause the Property to be sold as may be required by law or as may be necessary to cause Trustee to exercise the power of sale granted herein; Trustee shall then record and give such notice of Trustee's sale as then required by law and, after the expiration of such time as may be required by law, may sell the Property at the time and place specified in the notice of sale, as a whole or in separate parcels as directed by Agent, or by Grantor to the extent required by law, at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale, all in accordance with applicable law. Trustee, from time to time, may postpone or continue the sale of all or any portion of the Property by public declaration at the time and place last appointed for the sale and no other notice of the postponed sale shall be required unless provided by applicable law. Upon any sale, Trustee shall deliver its deed conveying the property or portion thereof sold, without any covenant or warranty, expressed or implied, to the purchaser or purchasers at the sale. The recitals in such deed of any matters of fact shall be conclusive as to the accuracy thereof;
- (c) institute proceedings, judicial or otherwise, for the complete foreclosure of this Security Instrument under any applicable provision of law, in which case the Property or any interest therein may be sold for cash or upon credit in one or more parcels or in several interests or portions and in any order or manner, Agent being hereby expressly granted the power to foreclose this Security Instrument and sell the Property at public auction and convey the same to the purchaser;
- (d) with or without entry, to the extent permitted and pursuant to the procedures provided by applicable law, institute proceedings for the partial foreclosure of this Security Instrument for the portion of the Obligations then due and payable, subject to the continuing lien and security interest of this Security Instrument for the balance of the Obligations not then due, unimpaired and without loss of priority;
- (e) sell for cash or upon credit the Property or any part thereof and all estate, claim, demand, right, title and interest of Grantor therein and rights of redemption thereof, pursuant to power of sale or otherwise, at one or more sales, as an entirety or in parcels, at such time and place, upon such terms and after such notice thereof as may be required or permitted by law; and, without limiting the foregoing;

- i) In connection with any sale or sales hereunder, Agent shall be entitled to elect to treat any of the Property which consists of (x) a right in action, or (y) property that can be severed from the Real Property covered hereby, or (z) any improvements (without causing structural damage thereto), as if the same were personal property, and dispose of the same in accordance with applicable law, separate and apart from the sale of the Real Property. Where the Property consists of the Real Property, the Personal Property, the Equipment or the Fixtures, whether or not such Personal Property or Equipment is located on or within the Real Property, Agent shall be entitled to elect to exercise its rights and remedies against any or all of the Real Property, the Personal Property, the Equipment and the Fixtures in such order and manner as is now or hereafter permitted by applicable law;
- ii) Agent shall be entitled to elect to proceed against any or all of the Real Property, Personal Property, Equipment and Fixtures in any manner permitted under applicable law; and if Agent so elects pursuant to applicable law, the power of sale herein granted shall be exercisable with respect to all or any of the Real Property, Personal Property, Equipment and Fixtures covered hereby, as designated by Agent and Agent is hereby authorized and empowered to conduct any such sale of any Real Property, Personal Property, Equipment and Fixtures in accordance with the procedures applicable to Real Property;
- iii) Should Agent elect to sell any portion of the Property which is Real Property or which is Personal Property, Equipment or Fixtures that Agent has elected under applicable law to sell together with Real Property in accordance with the laws governing a sale of the Real Property, Agent shall give such notice of the occurrence of an Event of Default, if any, and its election to sell such Property, each as may then be required by law. Thereafter, upon the expiration of such time and the giving of such notice of sale as may then be required by law, subject to the terms hereof and of the other Loan Documents, and without the necessity of any demand on Grantor, Agent at the time and place specified in the notice of sale, shall sell such Real Property or part thereof at public auction to the highest bidder for cash in lawful money of the United States. Agent may from time to time postpone any sale hereunder by public announcement thereof at the time and place noticed for any such sale; and
- iv) If the Property consists of several lots, parcels or items of property, Agent shall, subject to applicable law, (A) designate the order in which such lots, parcels or items shall be offered for sale or sold, or (B) elect to sell such lots, parcels or items through a single sale, or through two or more successive sales, or in any other manner Agent designates in Agent's sole discretion. Any Person, other than the Trustee, including Grantor or Agent, may purchase at any sale hereunder. Should Agent desire that more than one sale or other disposition of the Property be conducted, Agent shall, subject to applicable law, cause such sales or dispositions to be conducted simultaneously, or successively, on the same day, or at such different days or times and in such order as Agent may designate, and no such sale shall terminate or

otherwise affect the Lien of this Security Instrument on any part of the Property not sold until all the Obligations have been satisfied in full. In the event Agent elects to dispose of the Property through more than one sale, except as otherwise provided by applicable law, Grantor agrees to pay the costs and expenses of each such sale and of any judicial proceedings wherein such sale may be made;

(f) institute an action, suit or proceeding in equity for the specific performance of any covenant, condition or agreement contained herein, in the Guarantee, the Credit Agreement or in the other Loan Documents or cause Trustee to sell the Property in accordance with the provisions of Section 16.3 hereof;

(g) recover judgment on the Guarantee either before, during or after any proceedings for the enforcement of this Security Instrument or the other Loan Documents;

(h) apply for the appointment of a receiver, trustee, liquidator or conservator of the Property for the pendency and during the duration of any trustee's sale or foreclosure commenced by or on behalf of Agent, without notice and without regard for the adequacy of the security for the Obligations and without regard for the solvency of Grantor, Borrower, any other guarantor, indemnitor with respect to the Loans or of any Person liable for the payment of the Obligations. Borrower waives any right to any hearing or notice of hearing prior to the appointment of a receiver. Such receiver and his agents will be empowered to (i) take possession of the Property and perform all necessary or desirable acts with respect to management and operation of the Property, (ii) exclude Borrower and Borrower's agents, servants, and employees from the Property, (iii) collect the rents, issues, profits, and income therefrom, (iv) complete any construction which may be in progress, (v) do such maintenance and make such repairs and alterations as the receiver deems necessary, (vi) use all stores of materials, supplies, and maintenance equipment on the Property and replace such items at the expense of the receivership estate, (vii) to pay all taxes and assessments against the Property, all premiums for insurance thereon, all utility and other operating expenses, and all sums due under any prior or subsequent encumbrance, (viii) generally do anything which Borrower could legally do if Borrower were in possession of the Property, and (ix) take any other action permitted by law. All expenses incurred by the receiver or his agents will constitute a part of the Obligations. Any revenues collected by the receiver will be applied first to the expenses of the receivership, including attorneys' fees incurred by the receiver and by Agent, together with interest thereon at the Default Rate from the date incurred until repaid, and the balance will be applied toward the Obligations or in such other manner as the court may direct. Unless sooner terminated with the express consent of Agent, any such receivership will continue until the Obligations have been discharged in full, or until title to the Property has passed after a receivership sale or a foreclosure sale and all applicable periods of redemption have expired;

(i) the license granted to Grantor under Section 1.2 hereof will automatically be revoked and Agent may enforce its interest in the Leases and Rents and enter into or upon the Property, either personally or by its agents, nominees or attorneys and dispossess Grantor and its agents and servants therefrom, without liability for trespass, damages or otherwise and exclude Grantor and its agents or servants wholly therefrom, and take possession of all books, records and

accounts relating thereto and Grantor agrees to surrender possession of the Property and of such books, records and accounts to Agent upon demand, and thereupon Agent may (i) use, operate, manage, control, insure, maintain, repair, restore and otherwise deal with all and every part of the Property and conduct the business thereat; (ii) complete any construction on the Property in such manner and form as Agent deems advisable; (iii) make alterations, additions, renewals, replacements and improvements to or on the Property; (iv) exercise all rights and powers of Grantor with respect to the Property, whether in the name of Grantor or otherwise, including, without limitation, the right to make, cancel, enforce or modify Leases, obtain and evict tenants, and demand, sue for, collect and receive all Rents of the Property and every part thereof; (v) require Grantor to pay monthly in advance to Agent, or any receiver appointed to collect the Rents, the fair and reasonable rental value for the use and occupation of such part of the Property as may be occupied by Grantor; (vi) require Grantor to vacate and surrender possession of the Property to Agent or to such receiver and, in default thereof, Grantor may be evicted by summary proceedings or otherwise; and (vii) apply the receipts from the Property to the payment of the Obligations, in such order, priority and proportions as Agent shall deem appropriate in its sole discretion after deducting therefrom all expenses (including attorneys' fees) incurred in connection with the aforesaid operations and all amounts necessary to pay the Taxes, insurance and other expenses in connection with the Property, as well as just and reasonable compensation for the services of Agent, its counsel and agents;

(j) exercise any and all rights and remedies granted to a secured party upon default under the Uniform Commercial Code, including, without limiting the generality of the foregoing: (i) the right to take possession of the Fixtures, the Equipment and the Personal Property, or any part thereof, and to take such other measures as Agent may deem necessary for the care, protection and preservation of the Fixtures, the Equipment and the Personal Property, and (ii) request Grantor at its expense to assemble the Fixtures, the Equipment and the Personal Property and make it available to Agent or Trustee at a convenient place acceptable to Agent. Any notice of sale, disposition or other intended action by Agent or Trustee with respect to the Fixtures, the Equipment and/or the Personal Property sent to Grantor in accordance with the provisions hereof at least ten (10) days prior to such action, shall constitute commercially reasonable notice to Grantor;

(k) apply any sums then deposited or held in escrow or otherwise by or on behalf of Agent in accordance with the terms of the Credit Agreement, this Security Instrument or any other Loan Document to the payment of the following items in any order in its sole discretion:

- (i) Taxes;
- (ii) Insurance premiums;
- (iii) Interest on the unpaid principal balance of the Loans;
- (iv) The unpaid principal balance of the Loans;
- (v) All other sums payable pursuant to the Guarantee, the Credit Agreement, this Security Instrument and the other Loan Documents, including without limitation the advances made by Agent pursuant to the terms of this Security Instrument;

(l) pursue such other remedies as Agent may have under applicable law; or

(m) apply the undisbursed balance of any proceeds deposit, together with interest thereon, to the payment of the Obligations in such order, priority and proportions as Agent shall deem to be appropriate in its discretion.

In the event of a sale, by foreclosure, power of sale or otherwise, of less than all of the Property, this Security Instrument shall continue as a lien and security interest on the remaining portion of the Property unimpaired and without loss of priority.

Section 7.2 APPLICATION OF PROCEEDS. Upon the occurrence and during the continuance of an Event of Default, the purchase money, proceeds and avails of any disposition of the Property, and or any part thereof, or any other sums collected by Agent pursuant to the Guarantee, this Security Instrument or the other Loan Documents, may be applied by Agent to the payment of the Obligations in such priority and proportions as Agent in its discretion shall deem proper, to the extent consistent with Governmental Requirements.

Section 7.3 RIGHT TO CURE DEFAULTS. Upon the occurrence and during the continuance of any Event of Default, Trustee, Agent and each of the other Secured Parties shall have the right, but not the obligation, to cure such Event of Default in the name and on behalf of Grantor. All sums advanced and expenses incurred at any time by Agent, Trustee or any other Secured Party, or otherwise under this Security Instrument or applicable law in its reasonable discretion shall bear interest from the date that such sum is advanced or expense incurred, to and including the date of reimbursement, computed at the rate set forth in Section 3.02(c) of the Credit Agreement (the "**Default Rate**") and all such sums, together with interest thereon calculated at the Default Rate, shall be deemed to constitute a portion of the Obligations and shall be secured by this Security Instrument and the other Loan Documents and shall be immediately due and payable upon demand by Agent therefor.

Section 7.4 ACTIONS AND PROCEEDINGS. Agent and Trustee, or either of them, has the right to appear in and defend any action or proceeding brought with respect to the Property and to bring any action or proceeding, in the name and on behalf of Grantor, which Agent, in its discretion, decides should be brought to protect its interest in the Property.

Section 7.5 RECOVERY OF SUMS REQUIRED TO BE PAID. Agent shall have the right from time to time to take action to recover any sum or sums which constitute a part of the Obligations as the same become due, without regard to whether or not the balance of the Obligations shall be due, and without prejudice to the right of Agent thereafter to bring an action of foreclosure, or any other action, for any Event of Default existing at the time such earlier action was commenced.

Section 7.6 EXAMINATION OF BOOKS AND RECORDS. Section 9.08 of the Credit Agreement is hereby incorporated herein by reference.

Section 7.7 OTHER RIGHTS, ETC.

(a) The failure of Agent to insist upon strict performance of any term hereof shall not be deemed to be a waiver of any term of this Security Instrument. Grantor shall not be relieved of Grantor's obligations hereunder by reason of (i) the failure of Agent to comply with any request of Grantor, Borrower or any other guarantor or indemnitor with respect to the Loans to take any action to foreclose this Security Instrument or otherwise enforce any of the provisions hereof or of the Guarantee or the other Loan Documents, (ii) the release, regardless of consideration, of the whole or any part of the Property, or of any Person liable for the Obligations or any portion thereof, or (iii) any written agreement or stipulation executed by Agent extending the time of payment or otherwise modifying or supplementing the terms of the Guarantee, this Security Instrument or the other Loan Documents.

(b) It is agreed that the risk of loss or damage to the Property is on Grantor, and Agent shall have no liability whatsoever for decline in value of the Property, for failure to maintain the Title Policy, or for failure to determine whether insurance in force is adequate as to the amount of risks insured. Possession by Agent shall not be deemed an election of judicial relief if any such possession is requested or obtained with respect to any Property or collateral not in Agent's possession.

(c) Upon the occurrence and during the continuance of an Event of Default, Agent may resort for the payment of the Obligations to any other security held by Agent in such order and manner as Agent, in its discretion, may elect. Upon the occurrence and during the continuance of an Event of Default, Agent may take action to recover the Obligations, or any portion thereof, or to enforce any covenant hereof without prejudice to the right of Agent thereafter to foreclose this Security Instrument. The rights of Agent under this Security Instrument shall be separate, distinct and cumulative and none shall be given effect to the exclusion of the others. No act of Agent shall be construed as an election to proceed under any one provision herein to the exclusion of any other provision. Agent shall not be limited exclusively to the rights and remedies herein stated but shall be entitled to every right and remedy now or hereafter afforded at law or in equity.

Section 7.8 RIGHT TO RELEASE ANY PORTION OF THE PROPERTY. Agent may release any portion of the Property for such consideration as Agent may require without, as to the remainder of the Property, in any way impairing or affecting the lien or priority of this Security Instrument, or improving the position of any subordinate lienholder with respect thereto, except to the extent that the obligations hereunder shall have been reduced by the actual monetary consideration, if any, received by Agent for such release, and may accept by assignment, pledge or otherwise any other property in place thereof as Agent may require without being accountable for so doing to any other lienholder. This Security Instrument shall continue as a lien and security interest in the remaining portion of the Property.

Section 7.9 VIOLATION OF LAWS. The provisions of Section 9.09 of the Credit Agreement are hereby incorporated by reference into this Security Instrument to the same extent and with the same force as if fully set forth herein.

Section 7.10 RIGHT OF ENTRY. Upon reasonable notice to Grantor, Agent and its agents (including Trustee) shall have the right to enter and inspect the Property at all reasonable times.

Section 7.11 BANKRUPTCY.

(a) Upon the occurrence and during the continuance of an Event of Default, Agent shall have the right, and Grantor hereby assigns to Agent its right and irrevocably constitutes and appoints Agent its attorney-in-fact, coupled with an interest, to proceed in its own name or in the name of Grantor in respect of any claim, suit, action or proceeding relating to the rejection of any Lease, including, without limitation, the right to file and prosecute, to the exclusion of Grantor, any proofs of claim, complaints, motions, applications, notices and other documents, in any case in respect of the tenant under such Lease under the Bankruptcy Code.

(b) If there shall be filed by or against Grantor a petition under the Bankruptcy Code and Grantor, as lessor under any Lease, shall determine to reject such Lease pursuant to Section 365(a) of the Bankruptcy Code, then Grantor shall give Agent not less than ten (10) days' prior notice of the date on which Grantor shall apply to the bankruptcy court for authority to reject the Lease. Agent shall have the right, but not the obligation, to serve upon Grantor within such ten (10) day period a notice stating that (i) Agent demands that Grantor assume and assign the Lease to Agent pursuant to Section 365 of the Bankruptcy Code and (ii) Agent covenants to cure or provide adequate assurance of future performance under the Lease. If Agent serves upon Grantor the notice described in the preceding sentence, Grantor shall not seek to reject the Lease and shall comply with the demand provided for in clause (i) of the preceding sentence within thirty (30) days after the notice shall have been given, subject to the performance by Agent of the covenant provided for in clause (ii) of the preceding sentence.

ARTICLE 8 - ENVIRONMENTAL HAZARDS

Section 8.1 ENVIRONMENTAL COVENANTS. Grantor has provided representations, warranties and covenants regarding environmental matters set forth in the Environmental Indemnity Agreement. Any breach or default with respect to such matters will constitute an Event of Default hereunder, notwithstanding the fact that the Environmental Indemnity Agreement, and the representations, warranties and covenants contained therein, are unsecured obligations and are not secured by this Security Instrument.

ARTICLE 9 - INDEMNIFICATION

The provisions of Section 13.03(b),(e) of the Credit Agreement are hereby incorporated by reference into this Security Instrument, *mutatis mutandis*, to the same extent and with the same force as if fully set forth herein.

ARTICLE 10 - WAIVERS

Section 10.1 WAIVER OF COUNTERCLAIM. To the extent permitted by applicable law, Grantor hereby waives the right to assert a counterclaim, other than a mandatory or compulsory counterclaim, in any action or proceeding brought against it by Agent or Trustee arising out of or in any way connected with this Security Instrument, the Credit Agreement, the Guarantee, any of the other Loan Documents, or the Obligations.

Section 10.2 MARSHALLING AND OTHER MATTERS. To the extent permitted by applicable law, Grantor hereby irrevocably and unconditionally waives the benefit of all appraisal, valuation, stay, extension, reinstatement and redemption laws now or hereafter in force and all rights of marshalling in the event of any sale hereunder of the Property or any part thereof or any interest therein. Further, Grantor hereby expressly waives any and all rights of redemption from sale under any order or decree of foreclosure of this Security Instrument on behalf of Grantor, and on behalf of each and every person acquiring any interest in or title to the Property subsequent to the date of this Security Instrument and on behalf of all persons to the extent permitted by applicable law.

Section 10.3 WAIVER OF NOTICE. To the extent permitted by applicable law, Grantor shall not be entitled to any notices of any nature whatsoever from Agent or Trustee except with respect to matters for which this Security Instrument or the other Loan Documents specifically and expressly provides for the giving of notice by Agent or Trustee to Grantor and except with respect to matters for which Agent or Trustee is required by applicable law to give notice, and Grantor hereby expressly waives the right to receive any notice from Agent or Trustee with respect to any matter for which this Security Instrument or the other Loan Documents do not specifically and expressly provide for the giving of notice by Agent or Trustee to Grantor (except with respect to matters for which Agent or Trustee is required by applicable law to give notice).

Section 10.4 WAIVER OF STATUTE OF LIMITATIONS. To the extent permitted by applicable law, Grantor hereby expressly waives and releases to the fullest extent permitted by law, the pleading of any statute of limitations as a defense to payment or performance of the Obligations.

Section 10.5 WAIVER OF TRIAL BY JURY. EACH OF GRANTOR AND AGENT, BY ITS ACCEPTANCE OF THIS SECURITY INSTRUMENT, HEREBY AGREES NOT TO ELECT A TRIAL BY JURY OF ANY ISSUE TRIABLE OF RIGHT BY JURY, AND FOREVER WAIVES, TO THE EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT TO TRIAL BY JURY FULLY TO THE EXTENT THAT ANY SUCH RIGHT SHALL NOW OR HEREAFTER EXIST, WITH REGARD TO THE CREDIT AGREEMENT, THE GUARANTEE, THIS SECURITY INSTRUMENT OR THE OTHER LOAN DOCUMENTS, OR ANY CLAIM, COUNTERCLAIM OR OTHER ACTION ARISING IN CONNECTION THEREWITH. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS GIVEN KNOWINGLY AND VOLUNTARILY BY GRANTOR AND AGENT AND IS INTENDED TO ENCOMPASS INDIVIDUALLY EACH INSTANCE AND EACH ISSUE AS TO WHICH THE RIGHT TO A TRIAL BY JURY WOULD OTHERWISE ACCRUE. GRANTOR AND AGENT ARE EACH HEREBY AUTHORIZED TO FILE A COPY OF THIS PARAGRAPH IN ANY PROCEEDING AS CONCLUSIVE EVIDENCE OF THIS WAIVER BY EACH PARTY.

ARTICLE 11 - EXCULPATION

The provisions of Section 13.15 of the Credit Agreement are hereby incorporated by reference into this Security Instrument to the same extent and with the same force as if fully set forth herein.

ARTICLE 12 - NOTICES

All notices or other written communications hereunder shall be delivered in accordance with Section 13.01 of the Credit Agreement. All notices or other written communications hereunder to Grantor shall be given to it in care of Borrower at Borrower's address set forth in the Credit Agreement. At Agent's option, any written notice of an Event of Default given to Grantor may be given in the form of a statutory notice of default under the Washington Deed of Trust Act.

ARTICLE 13 - APPLICABLE LAW

Section 13.1 GOVERNING LAW. (A) THIS SECURITY INSTRUMENT WAS NEGOTIATED IN THE STATE OF NEW YORK, AND MADE BY GRANTOR AND ACCEPTED BY AGENT IN THE STATE OF NEW YORK, WHICH STATE THE PARTIES AGREE HAS A SUBSTANTIAL RELATIONSHIP TO THE PARTIES AND TO THE UNDERLYING TRANSACTION EMBODIED HEREBY, AND IN ALL RESPECTS, INCLUDING, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, THIS SECURITY INSTRUMENT AND THE OBLIGATIONS ARISING HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND PERFORMED IN SUCH STATE (WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAWS) AND ANY APPLICABLE LAW OF THE UNITED STATES OF AMERICA, EXCEPT THAT AT ALL TIMES (I) THE PROVISIONS FOR THE CREATION, PERFECTION, PRIORITY AND ENFORCEMENT OF THE LIENS AND SECURITY INTERESTS CREATED PURSUANT HERETO AND PURSUANT TO THE OTHER LOAN DOCUMENTS WITH RESPECT TO THE PROPERTY (OTHER THAN THAT DESCRIBED IN SUBPARAGRAPH II BELOW) SHALL BE GOVERNED BY AND CONSTRUED ACCORDING TO THE LAW OF THE STATE IN WHICH THE PROPERTY AND FIXTURES ARE LOCATED AND (II) WITH RESPECT TO THE PERFECTION, PRIORITY AND ENFORCEMENT OF THE LIENS AND SECURITY INTERESTS CREATED BY THIS SECURITY INSTRUMENT AND THE OTHER LOAN DOCUMENTS IN PROPERTY WHOSE PERFECTION AND PRIORITY IS COVERED BY ARTICLE 9 OF THE UNIFORM COMMERCIAL CODE, THE LAW OF THE JURISDICTION APPLICABLE IN ACCORDANCE WITH SECTIONS 9-301 THROUGH 9-307 OF THE UNIFORM COMMERCIAL CODE AS IN EFFECT IN THE STATE OF NEW YORK SHALL GOVERN. TO THE FULLEST EXTENT PERMITTED BY LAW, EACH OF GRANTOR AND, BY ITS ACCEPTANCE OF THIS SECURITY INSTRUMENT, AGENT, HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVES ANY CLAIM TO ASSERT THAT THE LAW OF ANY OTHER JURISDICTION GOVERNS THIS SECURITY INSTRUMENT AND/OR THE OTHER LOAN DOCUMENTS, AND THIS SECURITY INSTRUMENT AND THE OTHER LOAN DOCUMENTS SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK PURSUANT TO SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW EXCEPT AS SPECIFICALLY SET FORTH ABOVE.

(B) ANY LEGAL SUIT, ACTION OR PROCEEDING AGAINST AGENT OR GRANTOR ARISING OUT OF OR RELATING TO THIS SECURITY INSTRUMENT MAY AT AGENT'S OPTION BE INSTITUTED IN ANY FEDERAL OR STATE COURT IN THE CITY OF NEW YORK, COUNTY OF NEW YORK, PURSUANT TO SECTION 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW, AND EACH OF GRANTOR AND, BY ITS ACCEPTANCE OF THIS SECURITY INSTRUMENT, AGENT, WAIVES ANY OBJECTIONS WHICH IT MAY NOW OR HEREAFTER HAVE BASED ON VENUE AND/OR FORUM NON CONVENIENS OF ANY SUCH SUIT, ACTION OR PROCEEDING, AND GRANTOR HEREBY IRREVOCABLY SUBMITS TO THE JURISDICTION OF ANY SUCH COURT IN ANY SUIT, ACTION OR PROCEEDING, AND GRANTOR HEREBY IRREVOCABLY SUBMITS TO THE JURISDICTION OF ANY SUCH COURT IN ANY SUIT, ACTION OR PROCEEDING. TO THE EXTENT REQUIRED BY APPLICABLE LAW, ANY COURT PROCEEDING WHICH IS REQUIRED TO BE BROUGHT IN THE STATE OF WASHINGTON TO FORECLOSE ON ANY OF THE COLLATERAL SHALL BE BROUGHT IN THE SUPERIOR COURT OF SKAGIT COUNTY, STATE OF WASHINGTON AND GRANTOR CONSENTS TO THE JURISDICTION THEREOF.

Section 13.2 USURY LAWS. The provisions of Section 13.14 of the Credit Agreement are hereby incorporated by reference into this Security Instrument, *mutatis mutandis*, to the same extent and with the same force as if fully set forth herein.

Section 13.3 PROVISIONS SUBJECT TO APPLICABLE LAW. All rights, powers and remedies provided in this Security Instrument may be exercised only to the extent that the exercise thereof does not violate any applicable provisions of law and are intended to be limited to the extent necessary so that they will not render this Security Instrument invalid, unenforceable or not entitled to be recorded, registered or filed under the provisions of any applicable law. If any term of this Security Instrument or any application thereof shall be invalid or unenforceable, the remainder of this Security Instrument and any other application of the term shall not be affected thereby.

Section 13.4 WASHINGTON DEED OF TRUST ACT. It is the express intent of Grantor and Agent that this instrument constitute and be effective as a deed of trust under Revised Code of Washington chapter 61.24 (the "Washington Deed of Trust Act"). Notwithstanding the express intent of Grantor and Agent that this instrument constitute and be effective as a deed of trust under the Washington Deed of Trust Act, should a court of competent jurisdiction determine that this instrument does not constitute or is not effective as such a deed of trust, then this instrument shall be deemed to be a mortgage under Revised Code of Washington chapter 61.12 (the "Mortgage Statute"). In furtherance of the foregoing, Grantor, as mortgagor, hereby mortgages to Agent, as mortgagee, the mortgaged Property to secure the prompt payment and performance of the Secured Obligations, subject to the terms and provisions of this instrument and the Mortgage Statute and Agent will be entitled to exercise the rights and remedies afforded to Trustee in this instrument. Subject to the foregoing, nothing in this Section is intended to have any effect on the characterization, or limit the enforceability, of this instrument as a deed of trust under the Washington Deed of Trust Act or the rights and remedies of Trustee or Agent hereunder or thereunder.

ARTICLE 14 - DEFINITIONS

All capitalized terms not defined herein shall have the respective meanings set forth in the Credit Agreement. Unless the context clearly indicates a contrary intent or unless otherwise specifically provided herein, words used in this Security Instrument may be used interchangeably in singular or plural form and the word "**Grantor**" shall mean "Grantor and any subsequent owner or owners of the Property or any part thereof or any interest therein," the word "**Agent**" shall mean "Agent and any subsequent holder of the Guarantee," the word "**Guarantee**" shall mean "the Guarantee and any other evidence of indebtedness secured by this Security Instrument," the word "**Property**" shall include any portion of the Property and any interest therein, and the phrases "**attorneys' fees**", "**legal fees**" and "**counsel fees**" shall include any and all attorneys', paralegal and law clerk fees and disbursements, including, but not limited to, fees and disbursements at the pre-trial, trial and appellate levels incurred or paid by Agent in protecting its interest in the Property, the Leases and the Rents and enforcing its rights hereunder. In the event of any conflict or inconsistency between the provisions of the Credit Agreement and the provisions of this Security Instrument, the provisions of the Credit Agreement shall control and be binding.

ARTICLE 15 - MISCELLANEOUS PROVISIONS

Section 15.1 **NO ORAL CHANGE**. This Security Instrument, and any provisions hereof, may not be modified, amended, waived, extended, changed, discharged or terminated orally or by any act or failure to act on the part of Grantor or Agent, but only by an agreement in writing signed by the party against whom enforcement of any modification, amendment, waiver, extension, change, discharge or termination is sought.

Section 15.2 **SUCCESSORS AND ASSIGNS**. This Security Instrument shall be binding upon and inure to the benefit of Grantor and Agent and their respective successors and assigns, as set forth in the Credit Agreement. Agent shall have the right to assign or transfer its rights under this Security Instrument in connection with any assignment of the Loan Documents. Any assignee or transferee of Agent shall be entitled to all the benefits afforded to Agent under this Security Instrument. Grantor shall not have the right to assign or transfer its rights or obligations under this Security Instrument without the prior written consent of Agent, as provided in the Credit Agreement, and any attempted assignment without such consent shall be null and void.

Section 15.3 **INAPPLICABLE PROVISIONS**. If any term, covenant or condition of the Credit Agreement, the Guarantee or this Security Instrument is held to be invalid, illegal or unenforceable in any respect, the Credit Agreement, the Guarantee and this Security Instrument shall be construed without such provision.

Section 15.4 **HEADINGS, ETC.** The headings and captions of various Sections of this Security Instrument are for convenience of reference only and are not to be construed as defining or limiting, in any way, the scope or intent of the provisions hereof.

Section 15.5 **NUMBER AND GENDER**. Whenever the context may require, any pronouns used herein shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns and pronouns shall include the plural and vice versa.

Section 15.6 SUBROGATION. If any or all of the proceeds of the Guarantee have been used to extinguish, extend or renew any indebtedness heretofore existing against the Property, then, to the extent of the funds so used, Agent shall be subrogated to all of the rights, claims, liens, titles, and interests existing against the Property heretofore held by, or in favor of, the holder of such indebtedness and such former rights, claims, liens, titles, and interests, if any, are not waived but rather are continued in full force and effect in favor of Agent and are merged with the lien and security interest created herein as cumulative security for the repayment and performance of the Obligations and the performance and discharge of Grantor's obligations hereunder, under the Credit Agreement, the Guarantee and the other Loan Documents.

Section 15.7 ENTIRE AGREEMENT. The Guarantee, the Credit Agreement, this Security Instrument and the other Loan Documents constitute the entire understanding and agreement between Grantor and Agent with respect to the transactions arising in connection with the Obligations and supersede all prior written or oral understandings and agreements between Grantor and Agent with respect thereto. Grantor hereby acknowledges that, except as incorporated in writing in the Guarantee, the Credit Agreement, this Security Instrument and the other Loan Documents, there are not, and were not, and no Persons are or were authorized by Agent to make, any representations, understandings, stipulations, agreements or promises, oral or written, with respect to the transaction which is the subject of the Guarantee, the Credit Agreement, this Security Instrument and the other Loan Documents.

Section 15.8 LIMITATION ON AGENT'S RESPONSIBILITY. No provision of this Security Instrument shall operate to place any obligation or liability for the control, care, management or repair of the Property upon Agent, nor shall it operate to make Agent responsible or liable for any waste committed on the Property by Grantor or any other Person, or for any dangerous or defective condition of the Property, or for any negligence in the management, upkeep, repair or control of the Property resulting in loss or injury or death to Grantor, licensee, employee or stranger. Nothing herein contained shall be construed as constituting Agent a "mortgagee in possession."

Section 15.9 JOINT AND SEVERAL. If more than one Person has executed this Security Instrument as "Grantor," the representations, covenants, warranties and obligations of all such Persons hereunder shall be joint and several.

Section 15.10 COUNTERPARTS. This Security Instrument may be executed in any number of duplicate originals and each duplicate original shall be deemed to be an original. This Security Instrument may be executed in several counterparts, each of which counterparts shall be deemed an original instrument and all of which shall constitute a single agreement. The failure of any party hereto to execute this Security Instrument, or any counterpart thereof, shall not relieve the other signatories from their obligations hereunder.

Section 15.11 INTERCREDITOR AGREEMENTS. Notwithstanding anything herein to the contrary, the security interests and other liens granted to Trustee and Agent pursuant to this Security Instrument and the exercise of any right or remedy by Trustee and Agent hereunder will be subject in all respects to the provisions of any Intercreditor Agreement. In the event of any

conflict between the terms of any Intercreditor Agreement and this Security Instrument, the terms of such Intercreditor Agreement shall govern and control.

ARTICLE 16 - TRUSTEE'S FEES; SUBSTITUTE TRUSTEE; POWER OF SALE

Section 16.1 TRUSTEE'S FEES. Grantor shall pay all costs, fees and expenses (including attorneys' fees and expenses) incurred by Trustee and Trustee's agents in connection with the performance by Trustee of Trustee's duties hereunder and all such costs, fees and expenses shall be secured by this Security Instrument.

Section 16.2 SUBSTITUTE TRUSTEE. Trustee shall be under no duty to take any action hereunder except as expressly required hereunder or by law, or to perform any act which would involve Trustee in any expense or liability or to institute or defend any suit in respect hereof, unless properly indemnified to Trustee's reasonable satisfaction. Trustee, by acceptance of this Security Instrument, covenants to perform and fulfill the trusts herein created, being liable, however, only for gross negligence or misconduct, and hereby waives any statutory fee and agrees to accept reasonable compensation, in lieu thereof, for any services rendered by Trustee in accordance with the terms hereof. Agent may remove Trustee at any time or from time to time and select one or more successor trustees by filing the appropriate instrument in the office where this Security Instrument is recorded. Grantor hereby irrevocably appoints Agent as its attorney-in-fact, coupled with an interest, with full power of substitution to file, execute and record any document required to appoint such substitute trustees. In the event of the death, removal, resignation, refusal to act, or inability to act of Trustee, or in its sole discretion for any reason whatsoever, Agent may, without notice and without specifying any reason therefor and without applying to any court, select and appoint a successor trustee, by an instrument recorded wherever this Security Instrument is recorded and all powers, rights, duties and authority of Trustee, as aforesaid, shall thereupon become vested in such successor. Such substitute trustee shall not be required to give bond for the faithful performance of the duties of Trustee hereunder unless required by Agent. The procedure provided for in this paragraph for substitution of Trustee shall be in addition to and not in exclusion of any other provisions for substitution, by law or otherwise. If there is more than one Trustee, either Trustee may act without the joinder or concurrence of any other Trustee.

Section 16.3 POWER OF SALE.

(a) During the continuance of an Event of Default, Trustee shall have the power to exercise the power of sale and, at the request of Agent, shall sell or offer for sale the Property in such portions, order and parcels as Agent may determine with or without having first taken possession of same, to the highest bidder for cash at one or more public auctions in terms selected by Trustee in accordance with the terms and provisions of the law of the State in which the Property is located. Agent or Trustee may in their discretion select and determine the length of notice and terms of sale. Such sale shall be made at the area within the courthouse of the county in which the Property (or any portion thereof to be sold) is situated (whether the parts or parcels thereof, if any, in different counties are contiguous or not, and without the necessity of having any personal property hereby secured present at such sale) which is designated by the applicable court of such County as the area in which public sales are to take place, or, if no such area is designated, at the

area at the courthouse designated in the notice of sale as the area in which the sale will take place, on such day and at such times as permitted under applicable law of the State where the Property is located, after advertising the time, place and terms of sale and that portion of the Property in accordance with such law, and after having served written or printed notice of the proposed sale by certified mail on each Loan Party obligated to pay the Guarantee and other secured indebtedness secured by this Security Instrument according to the records of Agent in accordance with applicable law. The affidavit of any person having knowledge of the facts to the effect that such service was completed shall be prima facie evidence of the fact of service.

At any such public sale, Trustee may execute and deliver in the name of Grantor to the purchaser a conveyance of the Property or any part of the Property. In the event of any sale under this Security Instrument by virtue of the exercise of the powers herein granted, or pursuant to any order in any judicial proceeding or otherwise, the Property may be sold in its entirety or in separate parcels and in such manner or order as Agent in its sole discretion may elect, and if Agent so elects, Trustee may sell the personal property covered by this Security Instrument at one or more separate sales in any manner permitted by the Uniform Commercial Code of the State in which the Property is located, and one or more exercises of the powers herein granted shall not extinguish or exhaust such powers, until all the Property is sold or the Guarantee and other secured indebtedness is paid in full. If the Guarantee and other secured indebtedness is now or hereafter further secured by any chattel mortgages, pledges, contracts or guaranty, assignments of lease, or other security instruments, Agent at its option may exhaust the remedies granted under any of said security instruments either concurrently or independently, and in such order as Agent may determine.

(b) Upon any foreclosure sale or sales of all or any portion of the Property under the power herein granted, Agent may bid for and purchase the Property and shall be entitled to apply all or any part of the Obligations as a credit to the purchase price.

(c) In the event of a foreclosure or a sale of all or any portion of the Property under the power herein granted, the proceeds of said sale shall be applied, in whatever order Agent in its sole discretion may decide, to the expenses of such sale and of all proceedings in connection therewith (including, without limitation, attorneys' fees and expenses), to fees and expenses of Trustee (including, without limitation, Trustee's attorneys' fees and expenses), to insurance premiums, liens, assessments, taxes and charges (including, without limitation, utility charges advanced by Agent), to payment of the outstanding principal balance of the Obligations, and to the accrued interest on all of the foregoing; and the remainder, if any, shall be paid to Grantor, or to the person or entity lawfully entitled thereto.

(d) In case Trustee shall have proceeded to enforce any right or remedy under this Security Instrument by foreclosure, entry or otherwise, and such proceeding shall have been discontinued or abandoned for any reason, or shall have been determined adversely to Agent, then in every case, Grantor, Agent and Trustee shall be restored to their former positions and the rights, powers and remedies of Agent and Trustee herein provided or arising, or existing otherwise as herein set forth shall continue as if no such proceeding had been taken.

Section 16.4 ACCEPTANCE BY TRUSTEE. Trustee accepts the Property when this Security Instrument, duly executed and acknowledged, becomes a public record as provided by law. Trustee shall not be obligated to perform any act required hereunder unless the performance of such act is requested in writing and Trustee is reasonably indemnified against loss, cost, liability and expense.

Section 16.5 ACTS OF TRUSTEE. From time to time, upon written request of Agent and without affecting the liability of any person for payment of any indebtedness or performance of the obligations secured hereby, Trustee may, without liability therefor and without notice: reconvey all or any part of the Property; consent to the making of any map or plat thereof; join in granting any easement thereon; join in any declaration of covenants and restrictions; or join in any extension agreement or any agreement subordinating the lien or charge hereof. Trustee may from time to time apply in any court of competent jurisdiction for aid and direction in the execution of the trust hereunder and the enforcement of the rights and remedies available hereunder, and Trustee may obtain orders or decrees directing or confirming or approving acts in the execution of said trust and the enforcement of said remedies. Trustee has no obligation to notify any party of any pending sale or any action or proceeding unless held or commenced and maintained by Trustee under this Security Instrument.

Section 16.6 NO LIABILITY OF TRUSTEE.

(a) Trustee shall not be liable for any error of judgment or act done by Trustee in good faith, or be otherwise responsible or accountable under any circumstances whatsoever, except due to Trustee's gross negligence or willful misconduct. Trustee shall have the right to rely on any instrument, document or signature authorizing or supporting any action taken or proposed to be taken by them hereunder, believed by Trustee in good faith to be genuine. All moneys received by Trustee shall, until used or applied as herein provided, be held in trust for the purposes for which they were received, but need not be segregated in any manner from any other moneys (except to the extent required by law or under the Loan Documents), and Trustee shall be under no liability for interest on any moneys received by Trustee hereunder.

(b) Grantor shall indemnify, protect, defend and hold Agent and Trustee harmless, singularly and jointly, from all costs and expenses, including attorney's fees, incurred by them or any of them by reason of this Security Instrument, including any legal action to which Agent or Trustee shall become a party. Any money so paid or expended by Agent or Trustee shall be secured by this Security Instrument and shall be due and payable upon demand together with interest at the Default Rate from the date incurred and shall be secured by this Security Instrument.

Section 16.7 TRUSTEE POWERS. Trustee may exercise any of its powers through appointment of attorney-in-fact or agents. Trustee may select and employ legal counsel to enforce its rights under this Agreement at the expense of Grantor.

Section 16.8 PRIORITY. All amounts advanced by either of Agent or Trustee hereunder shall be secured by this Security Instrument with priority dating back to the date of the grant of this Security Instrument.

Section 16.9 RATIFICATION. Grantor hereby ratifies and confirms every act that Trustee and its successors may lawfully do at the Property by virtue of powers granted to Trustee hereunder.

ARTICLE 17 - STATE-SPECIFIC PROVISIONS

Section 17.1 PRINCIPLES OF CONSTRUCTION. In the event of any inconsistencies between the terms and conditions of this Article 17 and the other terms and conditions of this Security Instrument, the terms and conditions of this Article 17 shall control and be binding.

Section 17.2 NON-AGRICULTURAL USE; COMMERCIAL LOAN. Grantor represents, warrants, and covenants to Agent that (a) the Property is not, and will not be, used principally for agricultural purposes, and (b) the Loans are made exclusively for commercial, investment, or business purposes and no portion thereof will be used for any consumer, personal, family or household purpose. No portion of the Property is "residential real property" as defined in RCW 61.24.005(13).

Section 17.3 AGENTS. In exercising any rights hereunder or taking actions provided for herein, Agent and Trustee may act through their respective employees, agents or independent contractors as authorized by Agent and Trustee.

Section 17.4 UNSECURED OBLIGATIONS. Notwithstanding any provision to the contrary contained in this Security Instrument or in any other Loan Document, including the Credit Agreement, this Security Instrument intentionally and specifically does not secure: (a) reimbursement obligations of Grantor to Agent pertaining to the environmental status or condition of the Property (including any costs, expenses and damages incurred by Agent after a trustee's sale as a result of the failure of the property to comply with any environmental law) ("Environmental Obligations"), (b) any portion of the Obligations comprised of Environmental Obligations, (c) the "substantial equivalent" of any such Environmental Obligations, and (d) any environmental indemnity including, without limitation, the Environmental Indemnity Agreement.

Section 17.5 REMEDIES. In addition to all other remedies of Trustee and Agent, upon the occurrence and during the continuance of an Event of Default, Agent shall have the right to have the Property sold by Trustee pursuant to the power of sale and the provisions of the laws of the State of Washington then in effect with respect to foreclosure pursuant to a trustee's sale under deeds of trust or, at Agent's option, to have this Security Instrument foreclosed in judicial proceedings as a mortgage.

Section 17.6 ADDITIONAL DOCUMENTS. Grantor and Trustee agree that Agent may, from time to time, assign the Guarantee and Agent's rights under this Security Instrument to subsequent holders of the Guarantee subject to and in accordance with Section 13.04 of the Credit Agreement, without the written consent of Grantor or Trustee.

Section 17.7 "ONE ACTION" AND "ANTI-DEFICIENCY" WAIVER. To the extent permitted by applicable Governmental Requirements, Grantor waives all rights or defenses arising by reason of any "one action" or "anti-deficiency" law, or any other law which may prevent Agent from

bringing any action against Grantor, including a claim for deficiency, to the extent Agent is otherwise entitled to a claim for deficiency, before or after Agent's commencement or completion of any foreclosure action, either judicially or by exercise of a power of sale.

Section 17.8 EXPENSES DURING REDEMPTION PERIOD. If this Security Instrument is foreclosed as a mortgage and the Property sold at a foreclosure sale, the purchaser may during any redemption period allowed, make such repairs or alterations on the Property as may be reasonably necessary for the proper operation, care, preservation, protection and insuring thereof. Any sums so paid together with interest thereon from the time of such expenditure at the lesser of the Default Rate or the maximum rate permitted by law, will be added to and become a part of the amount required to be paid for redemption from such sale.

Section 17.9 FAIR MARKET VALUE. To the extent the Washington Deed of Trust Act, as now existing or hereafter amended, or other statute requires that the "fair market value" or "fair value" of the Property be determined as of the foreclosure date in order to enforce a deficiency against Grantor or any other party liable for repayment of the Obligations, the term "fair market value" or "fair value" shall include those matters required by law and the additional factors set forth below:

- (i) The Property shall be valued "as is" and "with all faults" and there shall be no assumption of restoration or refurbishment of Improvements, if any, after the date of the foreclosure.
- (ii) An offset to the fair market value or fair value of the Property, as determined hereunder, shall be made by deducting from such value the reasonable estimated closing costs related to the sale of the Property, including but not limited to brokerage commissions, title policy expenses, tax pro-rations, escrow fees, and other common charges that are incurred by the seller of real property.
- (iii) Grantor shall pay the reasonable out of pocket costs of any appraisals and other expenses incurred in connection with any such determination of fair market value or fair value.

Section 17.10 WAIVER. Grantor expressly waives (solely for the benefit of Agent) Grantor's immunity under the Industrial Insurance Act, Title 51 RCW, and acknowledges that such waiver was mutually negotiated by the parties.

Section 17.11 ASSIGNMENT OF RENTS.

(a) Notwithstanding any other provision of this Security Instrument to the contrary, the assignment of Rents pursuant to Section 1.2 of this Security Instrument (for the purposes of this Section 17.11, the "Assignment of Rents") is intended as security for the payment and performance of the Obligations. Any lien created by the Assignment of Rents intended as security pursuant to this Security Instrument shall, when this Security Instrument is recorded, be deemed specific, perfected, and choate as provided in RCW 7.28.230 and shall not require any further action to be perfected as to any subsequent purchaser, mortgagee, or assignee.

(b) Grantor expressly agrees that Agent shall have, in addition to all other rights and remedies set forth elsewhere in this Security Instrument, all the rights set forth in RCW 7.28.230 and related laws, statutes and cases (as amended, supplemented or supplanted) regarding enforcement of assignments of rents and leases, or otherwise available under Washington law.

(c) For purposes of RCW 61.24.140, Section 1.2 of this Security Instrument constitutes written consent by Grantor, as landlord under the Leases, to the payment of Rents directly from the tenants to Agent.

Section 17.12 FORECLOSURE SUBJECT TO TENANCIES. Upon the occurrence and during the continuance of an Event of Default, Agent will have the right at its option to foreclose, or cause the nonjudicial foreclosure of, this Security Instrument.

Section 17.13 SUBDIVISION. Grantor hereby consents to a subdivision of the Property upon the occurrence and during the continuance of an Event of Default, if Agent, in its reasonable discretion, reasonably determines that a subdivision of the Property is necessary or desirable to preserve the lien of this Security Instrument, or to permit Agent to foreclose on only a portion of the Property.

Section 17.14 STATUTORY ORAL AGREEMENTS NOTICE. ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, EXTEND CREDIT, OR TO FORBEAR FROM ENFORCING REPAYMENT OF SECURED OBLIGATIONS ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.

ARTICLE 18 - LEASEHOLD PROVISIONS

Section 18.1 REPRESENTATIONS, WARRANTIES AND COVENANTS. Grantor represents and warrants to Agent that (a) the Mortgaged Lease has not been modified and is in full force and effect, (b) all rent and other charges therein have been paid to the extent they are due and payable to the date hereof, (c) Grantor enjoys the quiet and peaceful possession of the property demised thereby, (d) Grantor is not in default under any of the terms thereof and there are no circumstances which, with the passage of time or the giving of notice or both, would constitute an event of default thereunder, and (e) to Grantor's knowledge, the landlord thereunder is not in default under any of the terms or provisions thereof on the part of the landlord to be observed or performed (but this statement is made for the benefit of and may only be relied upon by Agent and Secured Parties). Grantor shall promptly pay, when due and payable, the rent and other charges payable pursuant to the Mortgaged Lease, and will timely perform and observe all of the other terms, covenants and conditions required to be performed and observed by Grantor as lessee under the Mortgaged Lease. Grantor shall notify Agent in writing of any default by Grantor in the performance or observance of any terms, covenants or conditions on the part of Grantor to be performed or observed under the Mortgaged Lease within five (5) Business Days after Grantor obtains knowledge of such default. Grantor shall, promptly following the receipt thereof, deliver a copy of any notice of default given to Grantor by the landlord pursuant to the Mortgaged Lease and promptly notify Agent in writing of any default by the landlord in the performance or observance of any of the

terms, covenants or conditions on the part of the landlord to be performed or observed thereunder. Unless required under the terms of the Mortgaged Lease, except as set forth in the Credit Agreement, Grantor shall not, without the prior written consent of Agent (which may be granted or withheld in Agent's sole and absolute discretion) (i) terminate, or surrender the Mortgaged Lease, or (ii) enter into any modification of the Mortgaged Lease which materially impairs the practical realization of the security interests granted by this Security Instrument, and any such attempted termination, modification or surrender without Agent's written consent shall be void. Grantor shall, within thirty (30) days after written request from Agent, use commercially reasonable efforts to obtain from the landlord and deliver to Agent a certificate setting forth the name of the Grantor thereunder and stating that the Mortgaged Lease is in full force and effect, is unmodified or, if the Mortgaged Lease has been modified, the date of each modification (together with copies of each such modification), that no notice of termination thereof has been served on Grantor, stating that to the best of landlord's knowledge, no default or event which with notice or lapse of time (or both) would become a default is existing under the Mortgaged Lease, stating the date to which rent has been paid, and specifying the nature of any defaults, if any, and containing such other statements and representations as may be reasonably requested by Agent.

Section 18.2 NO MERGER; ACQUISITION; POWER OF ATTORNEY. So long as any of the Obligations remain unpaid or unperformed, the fee title to and the leasehold estate in the Premises subject to the Mortgaged Lease shall not merge but shall always be kept separate and distinct notwithstanding the union of such estates in the landlord or Grantor, or in a third party, by purchase or otherwise. If Grantor acquires the fee title or any other estate, title or interest in the property demised by the Mortgaged Lease, or any part thereof, the Lien of this Security Instrument shall attach to, cover and be a Lien upon such acquired estate, title or interest and the same shall thereupon be and become a part of the Property with the same force and effect as if specifically encumbered herein. Grantor agrees to execute all instruments and documents that Agent may reasonably require to ratify, confirm and further evidence the Lien of this Security Instrument on the acquired estate, title or interest. Furthermore, Grantor hereby appoints Agent as its true and lawful attorney-in-fact to execute and deliver all such instruments and documents in the name and on behalf of Grantor, in the event Grantor fails to deliver such instruments and documents within ten (10) Business Days after Agent's written request therefor. This power, being coupled with an interest, shall be irrevocable as long as any portion of the Obligations remains unpaid.

Section 18.3 NEW LEASE. If the Mortgaged Lease shall be terminated prior to the natural expiration of its term due to default by Grantor or any tenant thereunder, and if, pursuant to the provisions of the Mortgaged Lease, Agent or its designee shall acquire from the landlord a new lease of the Premises subject to the Mortgaged Lease, Grantor shall have no right, title or interest in or to such new lease or the leasehold estate created thereby, or renewal privileges therein contained.

Section 18.4 NO ASSIGNMENT. Notwithstanding anything to the contrary contained herein, this Security Instrument shall not constitute an assignment of the Mortgaged Lease within the meaning of any provision thereof prohibiting its assignment and Agent shall have no liability or obligation thereunder by reason of its acceptance of this Security Instrument. Agent shall be liable for the obligations of the Grantor arising out of the Mortgaged Lease for only that period of

time for which Agent is in possession of the Premises demised thereunder or has acquired, by foreclosure or otherwise, and is holding all of Grantor's right, title and interest therein.

Section 18.5 TREATMENT OF MORTGAGED LEASE IN BANKRUPTCY.

(a) If any landlord or grantor under the Mortgaged Lease rejects or disaffirms, or seeks or purports to reject or disaffirm, such Mortgaged Lease pursuant to any bankruptcy or creditor's rights law, then Grantor shall not exercise the 365(h) Election and, to the extent permitted by law, Grantor shall not suffer or permit the termination of the Mortgaged Lease without Agent's consent. Grantor acknowledges that because the Mortgaged Lease is a primary element of Agent's security for the Obligations, it is not anticipated that Agent would consent to termination of the Mortgaged Lease. If Grantor makes any election under Section 365 of the Bankruptcy Code in violation of this Security Instrument, then such 365(h) Election shall be void and of no force or effect.

(b) Grantor hereby assigns to Agent the 365(h) Election with respect to the Mortgaged Lease until the Obligations have been satisfied in full and the Commitments have terminated or expired. Grantor acknowledges and agrees that the foregoing assignment of the 365(h) Election and related rights is one of the rights that Agent may use at any time to protect and preserve Agent's other rights and interests under this Security Instrument. Grantor further acknowledges that exercise of any election under Section 365 of the Bankruptcy Code with the effect of terminating the Mortgaged Lease would constitute waste prohibited by this Security Instrument.

(c) Grantor acknowledges that if the 365(h) Election is exercised in favor of Grantor's remaining in possession under the Mortgaged Lease, then Grantor's resulting occupancy rights, as adjusted by the effect of Section 365 of the Bankruptcy Code, shall then be part of the Property and shall be subject to the Lien of this Security Instrument.

Section 18.6 REJECTION OF MORTGAGED LEASE BY LANDLORD. If the landlord under the Mortgaged Lease rejects or disaffirms the Mortgaged Lease or purports or seeks to reject or disaffirm such Mortgaged Lease pursuant to any bankruptcy or creditor's right's law, then:

(a) Grantor shall remain in possession of the Premises demised under such Mortgaged Lease so rejected or disaffirmed and shall perform all acts necessary for Grantor to remain in such possession for the unexpired term of such Mortgaged Lease, whether the then existing terms and provisions of such Mortgaged Lease require such acts or otherwise; and

(b) All the terms and provisions of this Security Instrument and the Lien created by this Security Instrument shall remain in full force and effect and shall extend automatically to all of Grantor's rights and remedies arising at any time under, or pursuant to, Section 365(h) of the Bankruptcy Code, including all of Grantor's rights to remain in possession of the leased Premises.

Section 18.7 ASSIGNMENT OF CLAIMS TO AGENT. Grantor, promptly upon learning that the landlord under the Mortgaged Lease has failed to perform the terms and provisions thereunder (including by reason of a rejection or disaffirmance or purported rejection or disaffirmance of such Mortgaged Lease pursuant to any Debtor Relief Law), shall notify Agent of any such failure to perform. Grantor unconditionally assigns, transfers, and sets over to Agent any and all damage

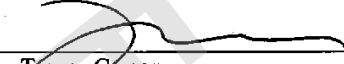
claims thereunder. This assignment constitutes a present, irrevocable, and unconditional assignment of all damage claims under the Mortgaged Lease, and shall continue in effect until Payment in Full. Notwithstanding the foregoing, Agent grants to Grantor a revocable license to exercise any such Mortgaged Lease damage claims which license may only be revoked by Agent upon the occurrence and during the continuance of any Event of Default.

[NO FURTHER TEXT ON THIS PAGE]

IN WITNESS WHEREOF, THIS SECURITY INSTRUMENT has been executed by Grantor as of the day and year first above written.

GRANTOR:

Silfab Solar WA Inc.,
a Delaware corporation

By: 
Name: Trevor Carson
Title: Chief Financial Officer

[Signature page to Leasehold Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing]

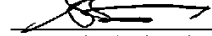
Notarial Certificate

CANADA
PROVINCE OF ALBERTA
TO WIT:

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)

I, Saajenjeet Seetal, a Notary Public in and for the Province of Alberta, by royal authority duly appointed, residing at the City of Calgary, in the said Province, DO CERTIFY that the I was personally present the 5th day of November, 2024 at Calgary Alberta, Canada and saw Trevor Carson, Chief Financial Officer, of Silfab Solar WA Inc., duly execute and sign the attached Leasehold Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing, an act whereof being requested, I have granted under my notarial form and seal of office, to serve and avail as occasion shall or may require.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed my seal of office at the City of Calgary, in the Province of Alberta this 5th day of November, 2024.



Name: Saajenjeet Seetal
Member of the Law Society of Alberta
A Notary Public in and for the Province of Alberta

Saajenjeet Singh Seetal
Barrister and Solicitor

[Signature page to Leasehold Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing]

APOSTILLE

(Convention de la Haye du 5 octobre 1961)

1. Country | Pays : **CANADA**

This public document | Le présent acte public

2. has been signed by | a été signé par : **SAAJENJEET SINGH SEETAL**

3. acting in the capacity of | agissant en qualité de : **NOTARY PUBLIC**

4. bears the seal / stamp of | est revêtu du sceau / timbre de : **SAAJENJEET SINGH SEETAL**

Certified | Attesté

5. at | à : **Edmonton, Canada**

6. the | le : **20TH day of NOVEMBER, 2024**

7. by | par : **Deputy Provincial Secretary's Office, Government of Alberta**

8. N° | sous n° : **AB-24-028322-643204-M**

9. Seal / stamp | Sceau / timbre :

10. Signature | Signature :



Mary E. Clark, Registrar

Comments | Commentaires :



This Apostille only certifies the signature, the capacity of the signer, and, where appropriate, the seal or stamp it bears. It does not certify the content of the document for which it was issued.

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If this document is to be used in a country which is not party to the Hague Convention of 5 October 1961, it may need to be legalized by a consular office of the country of destination.

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Cette Apostille atteste uniquement la véracité de la signature, la qualité en laquelle le signataire de l'acte a agi et, le cas échéant, l'identité du sceau ou timbre dont cet acte est revêtu. Elle ne certifie pas le contenu de l'acte pour lequel elle a été émise.

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<https://apostille.canada.ca/fr/eregister-eregistre>

Alberta Justice

Canada

EXHIBIT A**LEGAL DESCRIPTION****Parcel A:**

Lot 20, HOPPER ROAD BUSINESS PARK SECOND REVISED BINDING SITE PLAN, as recorded June 28, 2005, under Auditor's File No. 200506280192, records of Skagit County, Washington;

Situate in Skagit County, Washington.

Parcel A1:

An easement for ingress, egress and utilities across the northerly portion of Lot 21 as delineated on the face of HOPPER ROAD BUSINESS PARK REVISED BINDING SITE PLAN, as recorded January 30, 2003, under Auditor's File No. 200301300162, records of Skagit County, Washington.

Situate in Skagit County, Washington.