

Recorded at the Request of  
and after Recording Return to:  
WCLA Credit Union  
PO Box 207  
Olympia, WA 98507

Legal Description (abbreviated): N1/2 SE Sec. 28, T2N, R5E, W.M.; Lot 4 CLIFFORD  
ORTH SP Bk 2/Pg71; Lot 1 MCNEE-HAMILTON AIRPORT SP Bk 2/Pg213  
Additional legal description(s) are on page 2 of this document.  
Assessor's Tax Parcel ID#Parcel #1: 02050000790000, Parcel #2: 02050000790006,  
Parcel #3: 0252700080200, Parcel #4: 0252810028000.

### DEED OF TRUST

THIS Deed of Trust (herein "Deed of Trust") is made and granted on April 11th,  
2016, by

LaBarre Road Investments, LLC, ("Borrower"), whose mailing address is 26110 NE 209<sup>th</sup>  
Street, Battle Ground, WA 98604, to

Chicago Title Company ("Trustee"), whose mailing address is 1499 SE TechCenter Place,  
Vancouver, WA 98683, for the benefit of the Lender,

WCLA Credit Union, whose address is P.O. Box 207, Olympia, WA 98507 ("Lender"). For  
purpose of Article 9 of the Uniform Commercial Code (RCW 62A.9), the Borrower is the  
Debtor, Lender is the Secured Party and this Deed of Trust constitutes a Financing  
Statement.

In consideration of the Loan described below, Borrower hereby irrevocably  
GRANTS, TRANSFERS, CONVEYS and ASSIGNS to Trustee, IN TRUST, WITH  
POWER OF SALE, all of its present and future estate, rights, title, claim, interest and  
demand, either in law or in equity, of, in and to the following property (the "Property"):

(a) The real property and all rights to the alleys, streets and roads adjoining or abutting real property in Skamania County, State of Washington described as follows (the "Property"):

PARCEL I:

The North half of the Southeast Quarter of Section 28, Township 2 North, Range 5 East of the Willamette Meridian, in the County of Skamania County, State of Washington.

PARCEL II:

The South 272 feet of the West 920 feet of the Westhalf of the Northwest Quarter of Section 27, Township 2 North, Range 5 East of the Willamette Meridian, in the County of Skamania, State of Washington, described as follows:

Also known as Lot 4 of the CLIFFORD ORTH SHORT PLAT filed in Book 2 of Plats, Page 71, Skamania County Short Plat Records.

PARCEL III:

A tract of land in the South half of the Northeast Quarter of Section 28, Township 2 North, Range 5 East of the Willamette Meridian, in the County of Skamania, State of Washington, described as follows:

Lot 1 of the MCNEE-HAMILTON AIRPORT SHORT PLAT, filed in Book 2 of Plats, Page 213, Skamania County Short Plat Records.

(b) All standing, fallen or lying merchantable timber of any species now or hereafter located on the Property;

(c) All buildings, improvements and tenements now or hereafter located on the Property and all fixtures attached thereto;

(d) All easements, all access, air and development rights, all minerals and oil, gas and other hydrocarbon substances, all royalties, all water, water rights and water stock, and all other rights, hereditaments, privileges, permits, licenses, franchises and appurtenances now or hereafter belonging or in any way appertaining to the Property;

(e) All of the rents, revenues, issues, profits and income of the Property, and all right, title and interest in and to all present and future leases and other agreements for the occupancy or use of all or any part of the Property, including, without limitation, all cash or security deposits, advance rentals and deposits or payments of similar nature;

(f) All intangible personal property used or useful in connection with the ownership, development, operation or maintenance of the buildings and improvements on the Property;

(g) All site plans, architectural plans, specifications, work drawings, surveys, engineering reports, test borings, market surveys, and other work products relating to the development of the Property;

(h) All of the Borrower's rights under any construction contract, architect's contract or engineering contract relating to development of the Property; and

(i) All proceeds of any of the foregoing.

TO SECURE THE FOLLOWING (collectively the "Secured Obligations"):

(1) Payment of the sum of **Nine Hundred Seventy One Thousand Eight Hundred Fifty Two And 38/100 (\$971,852.38)**, or so much thereof as may have been advanced from time to time, with interest thereon, according to the terms and provisions of a Promissory Note of even date herewith, made by Borrower and payable to Lender, or order, together with any and all modifications, extensions, renewals, and replacements thereof (collectively the "Note"); and

(2) Payment of all sums advanced to protect the security of this Deed of Trust, together with interest thereon as herein provided.

BORROWER HEREBY REPRESENTS, WARRANTS, COVENANTS, AND AGREES AS FOLLOWS:

**1. TITLE.**

**1.1. General.** Borrower warrants, represents, covenants and agrees as follows:

(a) Borrower holds fee simple title to the Property with the full right and power to grant, convey and assign the Property; (b) the Property is free from liens, encumbrances, exceptions and other charges of any kind whatsoever, except for the Permitted Exceptions (defined below); (c) no other lien or encumbrance, whether superior or inferior to this Deed of Trust, shall be created or suffered to be created by Borrower without the prior written consent of Lender; (d) Borrower shall fully comply with all the terms of the Permitted Exceptions and shall deliver to Lender a copy of all notices delivered in connection with the Permitted Exceptions; (e) Lender has the right to contact the other parties to the Permitted Exceptions to confirm the status thereof; and (f) Borrower shall forever warrant and defend

the Property unto Lender against all claims and demands of any other person whatsoever, subject only to non-delinquent taxes and assessments and the Permitted Exceptions. As used in this Deed of Trust, "Permitted Exceptions" means the exceptions to title to the Property set out in Schedule B of the policy of title insurance issued to Lender with respect to this Deed of Trust.

**1.2 Status of Borrower.** Borrower is and will continue to be (i) duly organized, validly existing and in good standing under the laws of its state of organization, (ii) authorized to do business in and in good standing in the state in which the Property is located, and (iii) possessed of all requisite power and authority to carry on its business and to own and operate the Property.

## **2. BORROWER'S COVENANTS.**

**2.1. Payment and Performance of Secured Obligations.** Borrower will pay when due all sums which are or which may become owing on the Note, and will pay and perform all other Secured Obligations, in accordance with their terms.

### **2.2. Payment of Taxes, Utilities, Liens and Charges.**

**2.2.1. Taxes and Assessments.** Borrower will pay when due directly to the payee thereof all taxes and assessments (including, without limitation, nongovernmental levies or assessments such as maintenance charges, owner association dues or charges, or charges resulting from covenants, conditions or restrictions) charged against or with respect to the Property or this Deed of Trust. Upon request, Borrower shall promptly furnish to Lender all notices of amounts due under this Section and all receipts evidencing such payments. Borrower may contest any such taxes and assessments in accordance with any applicable procedures so long as such contest does not jeopardize Lender's security in the Property and so long as taxes and assessments do not become delinquent.

**2.2.2. Utilities.** Borrower will pay when due all utility charges and assessments for services furnished to the Property.

### **2.3. Insurance.**

**2.3.1. Coverages Required.** Borrower will keep the following insurance coverages in effect:

(a) Commercial general liability insurance against claims for bodily injury, death or property damage occurring on, in or about the Property in the amount of \$1,000,000 each occurrence, \$2,000,000 General Aggregate and \$2,000,000 Products-Completed Operations Aggregate, and on terms acceptable to the Lender and with a deductible of not greater than \$5,000, and at least \$5,000,000 of excess/umbrella liability or

such higher amount as is required by Lender from time to time. If this insurance is carried under a blanket policy, the policy must include an endorsement in form acceptable to Lender to the effect that the Lender's required limit shall apply separately to this location.

**2.3.2. Policies.** Each insurance policy will be in form acceptable to Lender and issued by a company or companies approved by Lender and having (i) a general policy rating of A or better and a financial class of VIII or better by A.M. Best Company, Inc., or (ii) a claims paying ability/financial strength rating of at least A by Standard & Poor's Rating Services, a division of the Mc-Graw Hill Companies, Inc. (subject to change by Lender on notice to Borrower) and licensed to do business in the state in which the Premises are located. All required policies will provide for at least 30 days written notice to Lender prior to the effective date of any cancellation, nonrenewal or material amendment, which term shall include any reduction in the scope or limits of coverage. Any policy with a co-insurance clause shall include an endorsement with a waiver of such co-insurance clause. Borrower shall provide certificates of Insurance on Acord 25-S for Liability with a CG 20 18 Additional Insured Mortgagee, Assignee or Receiver Endorsement evidencing coverages required above and naming Lender as an Additional Insured. The certificates and endorsement shall set forth the coverage, the limits of liability, the carrier, the policy number, and the expiration date and Borrower shall provide certified copies of the actual policies and endorsements, if requested. As security for the Secured Obligations, Borrower hereby assigns to Lender all required insurance policies, together with all proceeds thereof, rights thereto, and all unearned premiums returnable upon cancellation. Lender shall be named as an additional insured on the liability insurance.

**2.3.3. Payment; Renewals.** Borrower shall promptly furnish to Lender all renewal notices relating to insurance policies. Except as the same may otherwise be paid under Section 3 relating to reserves, Borrower will pay all premiums on insurance policies directly to the carrier. As soon as possible, but prior to the expiration date of each such policy, Borrower shall furnish to Lender a certificate of the renewal policy in a form reasonably acceptable to Lender, together with evidence that the renewal premium has been paid. If Lender receives any notice of cancellation, including without limitation, for non-payment, Borrower shall be in default under this Loan and in addition to all other rights and remedies Lender has hereunder, Lender may, without notice/opportunity to cure, (a) procure replacement insurance pursuant to Section 2.3.4, and/or (b) advance the funds necessary to make any premium payments and the amount advanced shall bear interest at the default rate set forth in the Note.

**2.3.4. Failure to Maintain.** If Borrower fails or refuses to procure and maintain any of the required insurance, and/or if Lender receives any notice of cancellation of such coverage, whether for non-payment or otherwise, Lender may, at its option, without waiting for the cancellation to become effective and without any notice to Borrower or opportunity for Borrower to cure, (a) advance funds to pay any delinquent premiums, or (b) procure such insurance for Lender's benefit and/or interests and any and all premiums,

deductibles, or self-insured retentions, paid by Lender therefore shall be deemed an expense of the Borrower and shall be deemed due on demand or any other payment mode selected by Lender. Lender is not responsible for nor will Lender procure any insurance for Borrower's interests and/or benefit. The cure periods and extensions thereof set forth in Section 7.3 are inapplicable to this Section 2.3.4.

**2.4. Preservation and Maintenance of Property; Right of Entry.** Borrower will not commit or suffer any waste with respect to the Property. Lender is hereby authorized to enter the Property at reasonable times and after reasonable notice, for the purpose of inspecting the Property and for the purpose of performing any of the acts it is authorized to perform hereunder.

**2.5. Compliance.** Borrower will comply with all laws, ordinances, regulations and requirements of any governmental body, and all other covenants, conditions and restrictions, applicable to the Property, and pay all fees and charges in connection therewith. The real property conveyed by this Deed of Trust is not used principally for agricultural or farming purposes.

**2.6. Condemnation.** Borrower will promptly notify Lender of any action or proceeding relating to any condemnation or other taking (including without limitation change of grade), whether direct or indirect, of the Property or part thereof or interest therein, and Borrower will appear in and prosecute any such action or proceeding unless otherwise directed by Lender in writing. All awards, payments, damages, direct, consequential and otherwise, claims, and proceeds thereof, in connection with any such condemnation or other taking, or for conveyances in lieu of condemnation, are hereby assigned to Lender, and all proceeds of any such awards, payments, damages, or claims shall be paid to Lender and applied to the payment of the Secured Obligations.

**2.7. Protection of Lender's Security.** Borrower will give notice to Lender of and will, at its expense, appear in and defend any action or proceeding that might affect the Property or title thereto or the interests of Lender or Trustee therein or the rights or remedies of Lender or Trustee. If any such action or proceeding is commenced, or if Lender or Trustee is made a party to any such action or proceeding by reason of this Deed of Trust, unless due to the gross negligence of Lender or due to a claim made against Lender due to no fault of Borrower, or if Borrower fails to perform any obligation on its part to be performed hereunder and if such failure could affect the security for this Loan or Lender's or Trustee's rights or interests, then Lender and/or Trustee, each in its own discretion, may make any appearances, disburse any sums, without notice/opportunity to cure, make any entries upon the Property and take any actions as may be necessary or desirable to protect or enforce the security of this Deed of Trust, to remedy Borrower's failure to perform their covenants (without, however, waiving any default by Borrower) or otherwise to protect Lender's or Trustee's interests. Borrower agrees to pay all loss, damage, costs, and expenses, including



attorney's fees, of Lender and Trustee thus incurred. This Section shall not be construed to require Lender or Trustee to incur any expenses, make any appearances or take any actions.

**2.8. Reimbursement of Lender's and Trustee's Expenses.** All amounts disbursed by Lender and Trustee pursuant to Section 2.7 or any other provision of this Deed of Trust, with interest thereon, shall be additional indebtedness of Borrower secured by this Deed of Trust. All such amounts shall be immediately due and payable, and shall bear interest from the date of disbursement at the default interest rate set forth in the Note.

**2.9. Notice of Litigation.** Borrower shall provide written notice to Lender of any future litigation relative to the Property filed by or against Borrower that affects the use of, condition of, ownership of, or improvements on the Property within 30 days after the filing or Borrower's receipt of notice of such filing, and Borrower shall keep Lender reasonably informed regarding the subject and status of the litigation.

**2.10. Zoning.** Borrower shall not initiate or consent to any zoning reclassification of any portion of the Property or seek any variance under any existing zoning ordinance or use or permit the use of any portion of the Property in any manner that could result in such use becoming a non-conforming use under any zoning ordinance or any other applicable law, without the prior written consent of Lender.

**2.11. Improvements.** Borrower shall not grade, excavate, drill, commence construction or alter the current state of the Property in any manner without Lender's express written consent, which consent may be granted or withheld in Lender's sole and absolute discretion.

### **3. BORROWER'S REPRESENTATIONS AND WARRANTIES.**

**3.1. Validity of Documents.** The execution, delivery and performance of the Note, this Deed of Trust and the Master Business Loan Agreement and the borrowing evidenced by the Note (i) are within the power and authority of Borrower; (ii) have been authorized by all requisite organizational action; (iii) have received all necessary approvals and consents, corporate, governmental or otherwise; (iv) will not violate, conflict with, result in a breach of or constitute (with notice or lapse of time, or both) a material default under any provision of law, any order or judgment of any court or governmental authority, the articles of incorporation, by-laws, partnership or trust agreement, articles of organization, operating agreement, or other governing instrument of Borrower, or any indenture, agreement or other instrument to which Borrower is a party or by which it or any of its assets or the Property is or may be bound or materially and adversely affected; (v) will not result in the creation or imposition of any lien, charge or encumbrance whatsoever upon any of its assets, except the lien and security interest created hereby; and (vi) will not require any authorization or license from, or any filing with, any governmental or other body (except for the recordation of this Deed of Trust in the appropriate land records in the State where the

Property is located), (b) the Note and this Deed of Trust have been duly executed and delivered by Borrower through the undersigned authorized representative of Borrower and (c) the Note and this Deed of Trust constitute the legal, valid and binding obligations of Borrower.

**3.2. Litigation.** There is no action, suit or proceeding, judicial, administrative or otherwise (including any condemnation or similar proceeding), pending or, to the best of Borrower's knowledge, threatened or contemplated against Borrower relative to the Property, or against or affecting the Property.

**3.3. No Foreign Person.** Borrower is not a "foreign person" within the meaning of Section 1445(f)(3) of the Internal Revenue Code of 1986, as amended and the related Treasury Department regulations.

**3.4. Leases; Contracts.** There are no leases, licenses or other agreements allowing any party other than Borrower to occupy the Property. There are no contracts for sale, options, rights of first refusal or any other agreements affecting the Property other than None.

**3.5. Taxes.** Borrower has filed all federal, state, county, municipal, and city income, personal property and other tax returns required to have been filed by it and has paid all taxes and related liabilities which have become due pursuant to such returns or pursuant to any assessments received by them. Borrower knows of no basis for any additional assessment in respect of any such taxes and related liabilities for prior years.

**3.6. ERISA.** Borrower is not an employee pension benefit plan subject to the provisions of Title IV of the or subject to the minimum funding standards under Part 3, Subtitle B, Title I of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") or Section 412 of the Internal Revenue Code or Section 302 of ERISA, and none of its assets constitutes or will constitute assets of any such employee benefit plan subject to Part 4, Subtitle B, Title I of ERISA. Borrower is not a "governmental plan" within the meaning of Section 3(32) of ERISA and is not subject to state statutes regulating investments of and fiduciary obligations with respect to governmental plans. The terms of the loan transaction evidenced by the Note and this Deed of Trust have been negotiated and determined at arm's length, as such terms would be negotiated and determined by unrelated parties.

**3.7. OFAC.** Neither Borrower nor any of its affiliates is (a) listed in the Annex to, or otherwise subject to the provisions of, the Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001, and relating to Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism (the "Executive Order") or (b) that is owned or controlled by, or acting for or on behalf of, any person or entity that is listed to the Annex to, or is otherwise subject to the provisions of, the



Executive Order. Borrower is in full compliance with all applicable orders, rules, regulations and recommendations of the U.S. Treasury Department Office of Foreign Assets Control.

**3.8. Embargoed Person.** As of the date hereof and at all times throughout the term of the Loan, (a) none of the funds or other assets of Borrower constitute property of, or are beneficially owned, directly or indirectly, by any person, entity or government subject to trade restrictions under U.S. law, including but not limited to, the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701 et seq., The Trading with the Enemy Act, 50 U.S.C. App. 1 *et seq.*, and any Executive Orders or regulations promulgated hereunder with the result that the investment in Borrower, as applicable (whether directly or indirectly), is prohibited by law or the Loan made by the Lender is in violation of law ("Embargoed Person"); (b) no Embargoed Person has any interest of any nature whatsoever in any of the Borrower, with the result that the investment in Borrower (whether directly or indirectly), is prohibited by law or the Loan is in violation of law; and (c) none of the funds of Borrower have been derived from any unlawful activity with the result that the investment in Borrower (whether directly or indirectly), is prohibited by law.

#### **4. RESTRICTIONS ON TRANSFER OR ENCUMBRANCE.**

Neither the Property nor any part thereof or interest therein shall be encumbered, sold (by contract or otherwise), conveyed, or otherwise transferred by Borrower, nor shall there be any change in the ownership of any beneficial interests in Borrower; nor shall there be any change in the ownership of entities who hold ownership interests in Borrower. Any such action without Lender's prior written consent shall constitute a default hereunder and shall be deemed to increase the risk of Lender, and Lender may declare all sums secured hereby immediately due and payable, or may at its sole option, consent to such change in title, occupancy or ownership, subject to any conditions Lender may elect to impose, including but not limited to an increase in the interest rate on the indebtedness secured hereby.

#### **5. LEASES.**

**5.1. Approval.** Borrower shall not enter into any leases of all or any portion of the Property without Lender's prior written approval.

**5.2. Assignment of Rents and Leases.** As part of the consideration for the indebtedness evidenced by the Note, and not as additional security therefore, Borrower hereby absolutely and unconditionally assigns and transfers to Lender all right, title and interest of Borrower in and to: (a) any and all present and future Leases, including any and all extensions, renewals and replacements thereof; (b) all cash or security deposits, advance rentals and deposits of a similar nature under the Leases; and (c) all rents, issues, profits, and revenues (collectively "Rents") now due or which may become due or to which Borrower may now or shall hereafter become entitled or may demand or claim (including Rents coming due during any redemption period), arising or issuing from or out of any and all

leases, including, without limitation, minimum, additional, percentage, and deficiency rents and liquidated damages.

**5.3. Lender in Possession, Appointment of Receiver.** Upon any default hereunder which is not cured within any applicable cure period, Lender may, in person, by agent, or by a court-appointed receiver, regardless of the adequacy of Lender's security, enter upon and take and maintain full control of the Property in order to perform all acts necessary and appropriate for the operation and maintenance thereof in the same manner and to the same extent as Borrower could do the same. Following a default hereunder which is not cured within any applicable cure period, Lender shall be entitled (regardless of the adequacy of Lender's security) to the appointment of a receiver, Borrower hereby consenting to the appointment of such receiver. The receiver shall have, in addition to all the rights and powers customarily given to and exercised by such receivers, all the rights and powers granted to Lender in this Section 5. The receiver shall be entitled to receive a reasonable fee for so managing the Property.

**5.4. Lender not Mortgagee in Possession.** Nothing herein shall constitute Lender a "mortgagee in possession" prior to its actual entry upon and taking possession of the Property, entry upon and taking possession by a receiver not constituting possession by Lender.

## 6. ENVIRONMENTAL COMPLIANCE MATTERS

**6.1 Definitions.** For purposes of this Section 6, the following terms shall be defined as follows:

(a) "Hazardous Material" means any radioactive, hazardous or toxic substance, material, waste or similar term, the presence of which on the Property or the discharge or emission of which from the Property is prohibited by Governmental Requirements (hereafter defined) or which require special handling in collection, storage, treatment or disposal by any Governmental Requirements. The term Hazardous Material includes, but is not limited to, any material, substance, waste or similar term which is:

- (i) Defined as a hazardous or toxic material or substance under the laws of the State of Washington as amended from time to time, including, but not limited to, the Washington Model Toxics Control Act, Initiative 97, as passed by the People of the State of Washington on November 8, 1988, and Washington Administrative Code 173-303;
- (ii) Defined as a hazardous substance under the Federal Water Pollution Control Act of 1977 (33 U.S.C. Section 1251 et seq.) as amended from time to time;

- (iii) Defined as a hazardous waste under Section 1004 of the Federal Resource Conservation and Recovery Act (RCRA) (42 U.S.C. Section 6901, et seq.) as amended from time to time;
- (iv) Defined as a hazardous waste or substance under the Federal Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) and the Superfund Amendments and Reauthorization Act of 1986 (SARA) (42 U.S.C. Section 9601, et seq.) as amended from time to time;
- (v) Defined as a radioactive, hazardous or toxic substance, waste, material or similar term in any rules and regulations, as amended from time to time, which are adopted by any administrative agency; including, but not limited to the Environmental Protection Agency, the Occupational Safety and Health Administration, and any such similar state or local agency having jurisdiction over the Property, whether or not such rules and regulations have the force of law;
- (vi) Determined to contain asbestos, urea formaldehyde or polychlorinated biphenyls or similar solvents; gasoline and other petroleum products; flammable explosives; radon and other natural gases; radioactive materials;
- (vii) Defined as a radioactive, hazardous or toxic waste, substance, material or similar term in any other statute, regulation, rule or law presently in effect, or enacted or adopted at any time after the date of this Deed of Trust, by local authorities, the State of Washington, and/or the federal government;
- (viii) Subject to regulation under the Federal Toxic Substances Control Act (TSCA) 15 U.S.C., Section 2601 et seq.; the Federal Hazardous Materials Transportation Control Act, 49 U.S.C. Section 1801, et seq.; the Federal Clean Air Act, 42 U.S.C. Section 7401 et seq.; the Federal Insecticide, Fungicide and Rodenticide Act, 7 U.S.C. Section 136, et seq.; the Federal Safe Drinking Water Act, 42 U.S.C. Section 300 et seq.; each as amended from time to time; or
- (ix) Subject to regulation under Washington Water Pollution Control Act, Chapter 90.48 RCW; Washington Clean Air Act,

Chapter 70.94 RCW; Washington Solid Waste Management--Recovery and Recycling Act, Chapter 70.95 RCW; Washington Hazardous Waste Management Act, Chapter 70.105 RCW; Washington Hazardous Waste Fees Act, Chapter 70.105A RCW; Washington Nuclear Energy and Radiation Act, Chapter 70.98 RCW; Washington Radioactive Waste Storage and Transportation Act, Chapter 70.99 RCW; Washington Underground Petroleum Storage Tanks Act, Chapter 70.148 RCW; and Washington Model Toxics Control Act, Chapter 70.105D RCW.

(b) "Governmental Requirements" shall mean all laws, ordinances, statutes, codes, rules, regulations, orders and decrees of the United States, the State of Washington, and all local or governmental or regulatory authorities exercising jurisdiction over Borrower or the Property.

(c) "Hazardous Material Contamination" shall mean the contamination (whether presently existing or hereafter occurring) of buildings, facilities, soil, ground water, air or other elements on, or of, the Property, or the contamination of the buildings, facilities, soil, ground water, air or other elements on, or of, any other property as a result of Hazardous Material at any time (whether before or after the date of this Deed of Trust) emanating from the Property.

**6.2 No Hazardous Material.** Borrower warrants and represents that, to the best of its knowledge after due and diligent inquiry as of the date hereof, there is no Hazardous Material on or in the Property, or being released or discharged therefrom (the term "Property" expressly including for the purposes of this Section 6.2, all buildings and other improvements located thereon, all personal property described herein, the soil and the ground water thereof, including the streams crossing or abutting the Property and the aquifer underlying the Property) whether such Hazardous Material be located or placed on or within the Property by spill, release, discharge, disposal, storage or otherwise.

To the best of Borrower's knowledge after due and diligent inquiry: (i) no part of the Property has ever been used as a manufacturing, storage or dump site for Hazardous Material, nor is any part of the Property affected by any Hazardous Material Contamination; (ii) no property adjoining the Property has ever been used as a manufacturing, storage or dump site for Hazardous Material; and (iii) no property adjoining the Property is affected by Hazardous Material Contamination.

Borrower covenants and agrees that, from the date hereof, Borrower and Borrower's agents, contractors, authorized representatives and employees (collectively "Borrower's Agents") shall not engage in any of the following prohibited activities, and

Borrower shall use its best and diligent efforts to see that Borrower's invitees and tenants, and such tenants' and invitees' employees and agents and such tenants' invitees shall not:

(a) Cause or permit any releases or discharges of Hazardous Material from the Property in violation of applicable laws; or

(b) Cause or permit any manufacturing, holding, handling, retaining, transporting, spilling, leaking, or dumping of Hazardous Material in or on any portion of the Property in violation of applicable laws; or

(c) Otherwise place, keep or maintain, or allow to be placed, kept or maintained, any Hazardous Material on any portion of the Property in violation of applicable laws.

**6.3 Compliance with Law.** Borrower shall comply, and Borrower shall use its best and diligent efforts to cause Borrower's Agents and the Property to comply, with all laws, ordinances, rules and regulations of all authorities having jurisdiction over Borrower, Borrower's Agents, the Property, or the use of the Property which pertain to any Hazardous Material (herein called "Hazardous Material Laws").

**6.4 Removal of Hazardous Material and Freedom from Liens.** If Hazardous Material is discovered on the Property, Borrower shall immediately remove said Hazardous Materials and shall pay when due the cost of removal of any Hazardous Material from the Property in compliance with all Governmental Requirements and Borrower shall keep the entire Property free of any lien imposed pursuant to any laws, regulations or orders of any governmental or regulatory authority having to do with the removal of Hazardous Material.

Within thirty (30) days after demand by Lender, Borrower shall obtain and deliver to Lender a bond, letter of credit, or similar financial assurance for the benefit of Lender evidencing, to Lender's satisfaction, that the necessary funds are available to pay the cost of removing, treating and disposing of all Hazardous Material or Hazardous Material Contamination on the Property and discharging any assessments or liens which may be established on the Property as a result thereof.

**6.5 Hazardous Material Reports.** To the best of Borrower's knowledge, no report, analysis, study or other document asserting that Hazardous Material Contamination exists on the Property or identifying any Hazardous Material as being located upon or released or discharged from the Property has been issued. Borrower shall:

(a) Give notice to Lender immediately upon Borrower's acquiring knowledge of the presence of any Hazardous Material on the Property or of any Hazardous Material Contamination thereon, with a full description thereof;

(b) Immediately advise Lender in writing of any notices received by Borrower or Borrower's Agents alleging that the Property contains Hazardous Material or Hazardous Material Contamination or that a violation or potential violation of any Hazardous Material Laws by Borrower, Borrower's Agents, or the Property exists (whether such notices are received from the Environmental Protection Agency, the Occupational Safety and Health Agency, or any other federal, state or local governmental agency or regional office thereof);

(c) Upon Borrower acquiring knowledge, immediately advise Lender in writing of any and all enforcement, cleanup, removal or other governmental or regulatory actions instituted, completed or threatened with respect to the Property or any property adjoining the Property pursuant to any Hazardous Material Laws;

(d) Upon Borrower acquiring knowledge, immediately advise Lender in writing of all claims made or threatened by any third party against Borrower, Borrower's Agents, or the Property relating to damage, contributions, cost recovery compensation, loss or injury resulting from any Hazardous Material or Hazardous Material Contamination pertaining to the Property; and

(e) Immediately advise Lender in writing upon Borrower's discovery of any occurrence or condition on any real property adjoining or in the vicinity of the Property which does, or could cause, the Property, or any part thereof, to contain Hazardous Material Contamination or otherwise be in violation of any Hazardous Material Laws, or cause the Property to be subject to any restrictions on the ownership, occupancy, transferability or use thereof under any Hazardous Material Laws.

**6.6 Remedial Action; Lender's Consent.** Without Lender's prior written consent, Borrower shall not take any remedial action in response to the presence of any Hazardous Material or Hazardous Material Contamination upon or about the Property, nor enter into any settlement agreement, consent decree or other compromise in respect to any violation or alleged violation of any Hazardous Material Laws, which remedial action, settlement, consent or compromise might, in Lender's judgment, impair the value of Lender's security hereunder; provided, however, that Lender's prior consent shall not be necessary in the event that the presence of Hazardous Material or Hazardous Material Contamination on or about the Property either poses an immediate threat to the health, safety or welfare of any individual or is of such a nature that an immediate remedial response is necessary and it is not possible to obtain Lender's consent before taking such action. In such event, Borrower shall notify Lender as soon as practicable of any action so taken. Lender shall not withhold its consent, where such consent is required hereunder, if either (i) a particular remedial action is ordered by a court of competent jurisdiction, or (ii) Borrower establishes to the sole satisfaction of Lender that there is no reasonable alternative to such remedial action which would result in less impairment of Lender's security hereunder.



**6.7 Environmental Audit.** Lender, at any time and from time to time during the term of the Loan, if it has cause to suspect that any provision of this Section 6 is not being complied with or if Borrower is in default and Lender is contemplating taking any action to acquire possession or title to the Property, may notify Borrower in writing that it desires a site assessment or environmental audit (such assessment or audit being herein called the "Audit") of the Property to be made, and at any time thereafter cause such site assessment or environmental audit to be made of the Property at Borrower's sole expense by persons or entities selected by Lender. Such Audit(s) shall be performed in a manner satisfactory to Lender in its sole discretion. Such results shall be kept confidential by Borrower and Lender unless a party is legally compelled or required to disclose such results, or disclosure is required in order to pursue rights or remedies provided herein or at law.

If Borrower fails to pay for the Audit as provided for herein within fifteen (15) days of receipt of billing therefor, such failure shall be an Event of Default hereunder.

Borrower covenants to cooperate with the persons conducting the Audit (the "Auditors") to allow entry and access to all portions of the Property for the purpose of the Audit, to supply the Auditors with all available historical and operational information regarding the Property as may be requested by the Auditors, and to make available for meetings with the Auditors appropriate personnel having knowledge of matters relevant to the Audit. Borrower covenants to comply, at its sole cost and expense, with all recommendations contained in the Audit, including any recommendation for additional testing and studies to detect the presence of Hazardous Material or Hazardous Material Contamination, or to otherwise confirm and verify Borrower's compliance with the provisions of this Section 6, to the extent required by Lender.

**6.8 Borrower's Failure to Comply.** In addition to any other right or remedy contained in this Deed of Trust, or in any other Loan Document, if Borrower shall fail to comply with any term, provision or requirement of this Section 6, and if such failure to comply shall not be corrected within the lesser of the following time periods (the "Correction Period"):

- (a) Fifteen (15) days after notice thereof from Lender; or
- (b) The time period specified by any governmental or regulatory body for corrective action with respect to such failure to comply;

then such failure to comply shall, at Lender's election and without further notice, constitute an Event of Default under this Deed of Trust; provided, however, if Borrower's failure to comply shall be of such nature that it cannot be corrected within the Correction Period, and if Borrower shall, within said Correction Period, commence to comply, and thereafter diligently prosecute such corrective action to completion, and provided the governmental or regulatory body having

jurisdiction with respect to such failure shall not object, then Borrower shall have a reasonable additional period beyond said Correction Period in which to cure such failure to comply.

## 7. DEFAULT.

**7.1. Default.** The occurrence of any one or more of the following shall constitute a default hereunder: (a) failure to make any payment when due under the Note; (b) failure by Borrower to perform or comply with any other covenant, agreement or obligation contained in this Deed of Trust or the Note.

**7.2. Form of Notice.** At Lender's option, any written notice of default required to be given to Borrower under Section 7.1 may be given in the form of a statutory notice of default under the Washington Deed of Trust Act or any other form as Lender may elect. This provision is not intended and shall not be construed to reduce any grace period or cure period provided in this Deed of Trust, or any other Loan Document for curing any default.

**7.3 Cure Periods.** Notwithstanding a default as described in Section 7.1, Lender agrees not to exercise the remedies described in Section 8 if Borrower cures the default within any applicable cure period set forth below:

**7.3.1.** Failure to make any payment when due under the Note within ten (10) days after the due date.

**7.3.2.** Failure to make any payment due under this Deed of Trust; except as otherwise provided in Section 2.3.4 herein within fifteen (15) days after written notice thereof given to Borrower by Lender.

**7.3.3.** Failure by Borrower to perform any other covenant, agreement or obligation contained in this Deed of Trust or the Environmental Indemnity (excluding those circumstances where this Deed of Trust states that there is no notice/opportunity to cure) ten days after written notice thereof to Borrower; provided, however, that if such cure cannot be completed within the fifteen (15) day period, Borrower shall be permitted such additional time to cure the default, not to exceed ninety (90) days, if Borrower commences such cure within 15 days and diligently pursues it thereafter.

**7.3.4.** Any breach of the provisions of Section 4 – no cure period.

## 8. REMEDIES.

**8.1. Acceleration Upon Default; Additional Remedies.** If a default occurs and is not cured within any applicable cure period, Lender may, at its option and without notice to or demand upon Borrower, exercise any one or more of the following actions:

**8.1.1.** Declare any and all indebtedness secured by this Deed of Trust to be due and payable immediately.

**8.1.2.** Bring a court action to enforce the provisions of this Deed of Trust, or any of the indebtedness or obligations secured by this Deed of Trust.

**8.1.3.** Foreclose this Deed of Trust as a mortgage.

**8.1.4.** Cause any or all of the Property to be sold under the power of sale granted by this Deed of Trust in any manner permitted by applicable law.

**8.1.5.** Elect to exercise its rights with respect to the Leases and the Rents (notice of exercise of this right will be given by Lender to Borrower).

**8.1.6.** Exercise any or all of the other rights and remedies provided for herein.

**8.2. Exercise of Power of Sale.** For any sale under the power of sale granted by this Deed of Trust, Lender or Trustee shall record, advertise and give all notices required by law and then, upon expiration of such time as is required by law, Trustee may sell the Property upon any terms and conditions specified by Lender and permitted by applicable law. Trustee may postpone any sale by public announcement at the time and place noticed for the sale. If the Property includes several lots or parcels, Lender, in its discretion, may designate their order of sale or may elect to sell all of them as an entirety. The Property, real, personal or mixed, may be sold in one parcel. To the extent any of the Property sold by the Trustee is personal property, the Trustee shall be acting as agent of the Lender in selling such Property. Any person permitted by law to do so may purchase at any sale. Upon any sale, Trustee will execute and deliver to the purchaser or purchasers a deed or deeds conveying the Property sold, but without any covenant or warranty, express or implied, and the recitals in the Trustee's deed showing that the sale was conducted in compliance with all the requirements of law shall be prima facie evidence of such compliance and conclusive evidence thereof in favor of bona fide purchasers and encumbrancers for value.

**8.3. Application of Sale Proceeds.** The proceeds of any sale under this Deed of Trust will be applied in the following manner:

**FIRST:** Payment of the costs and expenses of the sale, including, without limitation, Trustee's fees, legal fees and disbursements, title charges and transfer taxes, and payment of all expenses, liabilities and advances of Trustee, together with interest on all advances made by Trustee from date of disbursement at the applicable interest rate under the Note from time to time or at the maximum rate permitted to be charged by Trustee under the applicable law if that is less.

**SECOND:** Payment of all sums expended by Lender under the terms of this Deed of Trust and not yet repaid, together with interest on such sums from date of disbursement at the applicable interest rate under the Note from time to time or the maximum rate permitted by applicable law if that is less.

**THIRD:** Payment of all other indebtedness secured by this Deed of Trust in any order that the Lender chooses.

**FOURTH:** The remainder, if any, to the person or persons legally entitled to it.

**8.4. Waiver of Order of Sale and Marshaling.** Lender shall have the right to determine the order in which any or all portions of the secured indebtedness are satisfied from the proceeds realized upon the exercise of any remedies provided herein. Borrower, any party who consents to this Deed of Trust and any party who, now or hereafter, acquires a security interest in the Property and who has actual or constructive notice hereof, hereby waives any and all right to require marshaling of assets in connection with the exercise of any of the remedies permitted by applicable law or provided herein, or to direct the order in which any of the Property will be sold in the event of any sale under this Deed of Trust.

**8.5. Nonwaiver of Defaults.** The entering upon and taking possession of the Property, the collection of Rents or the proceeds of fire and other insurance policies or compensation or awards for any taking or damage of the Property, and the application or release thereof as herein provided, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

**8.6. Expenses During Redemption Period.** If this Deed of Trust is foreclosed as a mortgage and the Property sold at a foreclosure sale, purchaser at such foreclosure sale 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 default rate of interest stated in the Note or the highest lawful rate, if that is less, shall be added to and become a part of the amount required to be paid for redemption from such sale.

**8.7. Remedies Cumulative.** To the extent permitted by law, every right and remedy provided in this Deed of Trust is distinct and cumulative to all other rights or remedies under this Deed of Trust, or afforded by law or equity, or any other agreement between Lender and Borrower, and may be exercised concurrently, independently or successively, in any order whatsoever. Lender may exercise any of its rights and remedies at its option without regard to the adequacy of its security.

**8.8. Lender's and Trustee's Expenses.** Borrower will pay all of Lender's and Trustee's expenses incurred in any efforts to enforce any terms of this Deed of Trust, whether

or not any suit is filed, including, without limitation, legal fees and disbursements, foreclosure costs, and title charges. All such sums, with interest thereon, shall be additional indebtedness of Borrower secured by this Deed of Trust. Such sums shall be immediately due and payable, and shall bear interest from the date of disbursement at the default rate of interest stated in the Note, or the maximum rate that may be collected from Borrower under applicable law if that is less. As used in this Deed of Trust and in the Note, "attorneys' fees" and "legal fees" shall include attorneys' fees, if any, which shall be incurred whether or not legal action is commenced and any such fees incurred at any trial, arbitration, or interpleader or bankruptcy hearing or any judicial proceeding, and on appeal or review, and on any collection before or after judgment.

## 9. GENERAL.

**9.1. Application of Payments.** Except as applicable law or this Deed of Trust may otherwise provide, all payments received by Lender under the Note or this Deed of Trust shall be applied by Lender in the following order of priority: (a) Lender's and Trustee's expenses incurred in any efforts to enforce any terms of this Deed of Trust; (b) interest payable on advances made to protect the security of this Deed of Trust; (c) principal of such advances; (d) interest and late charges payable on the Note; (e) principal of the Note; and (f) any other sums secured by this Deed of Trust in such order as Lender, at its option, may determine; provided, however, that Lender may, at its option, apply any such payments received to interest on or principal of the Note prior to applying such payments to interest on and principal of advances made to protect the security of this Deed of Trust.

**9.2. Reconveyance.** Upon payment of all sums secured by this Deed of Trust, Lender shall request Trustee to reconvey the Property and shall surrender this Deed of Trust and all Notes evidencing indebtedness secured by this Deed of Trust to Trustee. Trustee shall reconvey the Property without warranty to the person or persons legally entitled thereto. The grantee in any reconveyance may be described as the "person or persons legally entitled thereto," and the recitals therein of any matters or facts shall be conclusive proof of the truthfulness thereof. Such person or persons shall pay Trustee's costs incurred in so reconveying the Property.

**9.3. Successor Trustee.** Lender may, from time to time, appoint a successor trustee to any Trustee appointed hereunder. Without conveyance of the Property, the successor trustee shall succeed to all the title, power and duties conferred upon the Trustee herein and by applicable law.

**9.4. Lender's Powers.** Lender may at any time and from time to time by a specific writing intended for the purpose: (a) waive any default without waiving any other prior or subsequent default; (b) waive compliance with any covenant herein made by Borrower to the extent and in the manner specified in such writing; (c) consent to Borrower's doing any act which hereunder Borrower is prohibited from doing, or to Borrower's failing to do any

act which hereunder Borrower is required to do, to the extent and in the manner specified in such writing; (d) release or reconvey or cause to be released or reconveyed all or any part of the Property from the lien of this Deed of Trust, without the joinder of Trustee; (e) extend or otherwise modify the terms and the time for payment of the indebtedness secured hereby or any part thereof, or reduce payment thereon; (f) release any party liable, either directly or indirectly, for the Secured Obligations or for any covenant herein; (g) consent and/or cause Trustee to consent to the making of any map or plat of the Property; (h) consent or cause Trustee to consent to the granting of any easement or creating any restriction on the Property; or (i) join or cause Trustee to join in any subordination or other agreement affecting this Deed of Trust or the lien or charge hereof, without impairing or releasing the liability of any other party. In addition to the foregoing, Lender may remedy any default without waiving the default remedied.

No such above described act shall in any way affect the rights or powers of Lender or Trustee hereunder, except to the extent specifically agreed to by Lender, as the case may be, in such writing. Neither failure by Lender to exercise, nor delay by Lender in exercising, nor discontinuance of the exercise of any right, power or remedy (including the right to accelerate the maturity of the Secured Obligations or any part thereof) upon or after any Default shall be construed as a waiver of such default or as a waiver of the right to exercise any such right, power or remedy at a later date. No single or partial exercise by Lender of any right, power or remedy hereunder shall exhaust the same or shall preclude any other or further exercise thereof, and every such right, power or remedy hereunder may be exercised at any time and from time to time. No waiver of any provision hereof or consent to any departure by Borrower there from shall in any event be effective unless the same shall be in writing and signed by Lender and then such waiver or consent shall be effective only in the specific instance, for the purpose for which given and to the extent therein specified. No notice to or demand on Borrower in any case shall of itself entitle Borrower to any other or further notice or demand in similar or other circumstances.

**9.5. Forbearance by Lender Not a Waiver.** Any forbearance by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any right or remedy, and no waiver by Lender of any particular default by Borrower shall constitute a waiver of any other default or of any similar default in the future. Without limiting the generality of the foregoing, the acceptance by Lender of payment of any sum secured by this Deed of Trust after the due date thereof shall not be a waiver of Lender's right to either require prompt payment when due of all other sums so secured or to declare a default for failure to make prompt payment. The procurement of insurance or the payment of taxes or other liens or charges by Lender shall not be a waiver of Lender's right to accelerate the maturity of the indebtedness secured by this Deed of Trust, nor shall Lender's receipt of any awards, proceeds or damages under Sections 2.3 and 2.7 hereof operate to cure or waive Borrower's default in payment of sums secured by this Deed of Trust.



**9.6. Modifications and Waivers.** This Deed of Trust cannot be waived, changed, discharged, or terminated orally, but only by an instrument, in writing, signed by the party against whom enforcement of any waiver, change, discharge, or termination is sought.

**9.7. Notice.** Except as applicable law may otherwise require, all notices and other communications shall be in writing and shall be deemed given when delivered by personal service, or by recognized national courier service such as DHL, Federal Express or UPS, delivery prepaid, addressed to the address set forth at the beginning of this Deed of Trust. If sent by courier, the notice shall be effective upon receipt or rejection of the delivery. Any party may at any time change its address for such purposes by delivering or mailing to the other parties hereto as aforesaid a notice of such change. The initial notice addresses for Borrower, Trustee and Lender are as set forth in the first paragraph of this Deed of Trust, with notices to Borrower to be sent to the attention of Timothy and Diane Homola, and notices to Lender to be sent to the attention of President.

**9.8. Governing Law.** This Deed of Trust shall be interpreted and enforced in accordance with the laws of the state where the Property is located. If any provisions of this Deed of Trust are determined to be unlawful in the state where the Property is located, said provisions are subject to amendment by Lender to comply with such state law or at Lender's sole option, this Deed of Trust will be considered null and void and all fees theretofore paid will be returned to Borrower.

**9.9. Venue.** If any action is brought to enforce or interpret the provisions of this Deed of Trust, the venue of such action shall be laid in Thurston County, Washington.

**9.10. Severability; Captions.** If any provision or clause of this Deed of Trust conflicts with applicable law, such conflicts shall not affect other provisions or clauses hereof which can be given effect without the conflicting provision, and to this end the provisions hereof are declared to be severable. The captions and headings of the Sections of this Deed of Trust are for convenience only and are not to be used to interpret or define the provisions hereof.

**9.11. Definitions.** As used herein: the term "Borrower" means the Borrower herein named, together with any subsequent owner of the Property or any part thereof or interest therein; the term "Trustee" means the Trustee herein named, together with any successor Trustee; and the term "Lender" means the Lender herein named, together with any subsequent owner or holder of the Note or any interest therein, including pledgees, assignees and participants. References herein to matters acceptable to Lender or subject to Lender's approval, decision or consent shall be subject to a sole discretion standard.

**9.12. Successors and Assigns Bound.** This Deed of Trust shall bind and inure to the benefit of the parties hereto and their respective heirs, devisees, legatees, administrators, executors, successors and assigns, subject to Section 4. In exercising any rights hereunder

or taking actions provided for herein, Lender and Trustee may act through their respective employees, agents or independent contractors as authorized by Lender and Trustee.

**9.13. Time.** Time is of the essence in connection with all obligations of Borrower herein. This document has been mutually negotiated and shall not be construed against either party.

**9.14. Entire Agreement.** This Deed of Trust constitutes the entire agreement between the parties hereto, and no modification of this Deed of Trust shall be deemed effective unless executed in writing by Lender and Borrower subsequent to the date hereof.

*[Signature of Borrower Appears on the Following Page]*

Unofficial Copy

IN WITNESS WHEREOF, Borrower has executed this Deed of Trust as of the date first above written.

**BORROWER:** LaBarre Road Investments, LLC

[Signature]  
Nick Redinger, member

[Signature]  
Timothy Homola, member

[Signature]  
Daniel Homola, member

[Signature]  
Brian Homola, member

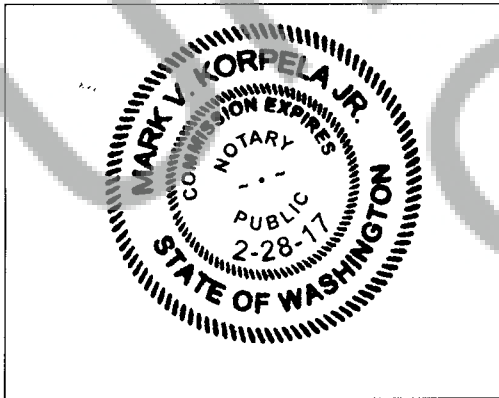
STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF Clark )

I certify that I know or have satisfactory evidence that Nick Redinger; Timothy Homola; Daniel Homola; and Brian Homola are the persons who appeared before me, and they acknowledged that they signed this instrument, on oath stated that they were authorized to execute the instrument and acknowledged it as the members of LaBarre Road, to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

\*Investments, LLC

DATED: 4-11-16

(Insert notary seal here.)



[Signature]  
(Signature of Notary Public)

Mark V. Korpela Jr  
(Printed Name of Notary Public)

My Appointment expires 2-28-17

JR.

IN WITNESS WHEREOF, Borrower has executed this Deed of Trust as of the date first above written.

**BORROWER:** LaBarre Road Investments, LLC

\_\_\_\_\_  
Nick Redinger, member

\_\_\_\_\_  
Timothy Homola, member

\_\_\_\_\_  
Daniel Homola, member  
*Diane K Homola*  
\_\_\_\_\_  
Diane Homola, member

\_\_\_\_\_  
Brian Homola, member

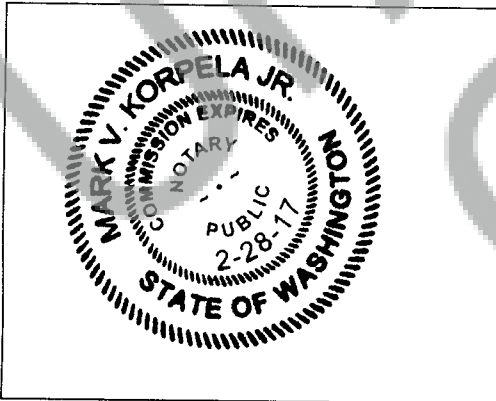
STATE OF WASHINGTON )  
  ) ss.  
COUNTY OF Clark )

*Diane Homola*

I certify that I know or have satisfactory evidence that ~~Nick Redinger; Timothy Homola; Daniel Homola; and Brian Homola~~ are the persons who appeared before me, and they acknowledged that they signed this instrument, on oath stated that they were authorized to execute the instrument and acknowledged it as the member of LaBarre Road Investments, LLC, to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

DATED: 4-12-16

(Insert notary seal here.)



*[Signature]*  
\_\_\_\_\_  
(Signature of Notary Public)

Mark V. Korpela Jr  
\_\_\_\_\_  
(Printed Name of Notary Public)

My Appointment expires 2-28-17