

WHEN RECORDED MAIL TO:
Luther Burbank Savings
520 Third Street, 4th Floor
Santa Rosa, CA 95401

CL 11225
(SPACE ABOVE FOR RECORDER'S USE ONLY)

**DEED OF TRUST, ASSIGNMENT OF RENTS AND SECURITY AGREEMENT
FOR AN ADJUSTABLE INTEREST RATE LOAN**

Loan No. 2812122706

Order No. CL 11225

Grantor (Borrower):	Deer Point Meadows Investments, LLC a Washington limited liability company
Grantee (Lender):	Luther Burbank Savings, a California banking corporation
Grantee (Trustee):	Old Republic Title Insurance Company
Legal Description:	Units 1 through 7 of LAKESHORE CONDOMINIUM Additional Legal(s) on Exhibit A
Assessor's Tax Parcel ID Number:	02072010021881, 02072010021882, 02072010021883, 02072010021884, 02072010021885, 02072010021880, 02072010021800

This **DEED OF TRUST, ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND
FIXTURE FILING ("Deed")** is granted as of **October 4, 2018 ("Effective Date")** by **Deer
Point Meadows Investments, LLC a Washington limited liability company**, the trustor,
whose address is at **10009 SE Evergreen HWY, Vancouver, WA 98664, ("Borrower")** to **Old
Republic Title Insurance Company**, the trustee, having an address at , , **("Trustee")**, for the
benefit of **Luther Burbank Savings, a California banking corporation, 520 Third Street, 4th
Floor, Santa Rosa, CA 95401, as beneficiary ("Lender")**.

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AGREEMENT

Section 1. Grant of Security.

Borrower, in consideration of the Indebtedness and the trust created by this Deed, irrevocably grants, bargains, sells, assigns, transfers, warrants, conveys, and mortgages, to Trustee, in trust for Lender, with power of sale and right of entry, the Property, including the Land, located in **Skamania County, State of Washington** and described in **Exhibit A** attached to this Deed.

TO SECURE TO LENDER the repayment of the Indebtedness evidenced by that certain promissory note dated as of the date of this Deed, executed by Borrower and made payable to the order of Lender ("Note") in the principal amount of **SIX HUNDRED FIFTY THOUSAND AND 00/100 Dollars (\$650,000.00)**, as and when the same becomes due and payable, whether at the stated maturity, by acceleration, or otherwise, and all renewals, extensions and modifications of the Indebtedness, the payment of all sums advanced by or on behalf of Lender to protect the security of this Deed under Section 6, and the performance of the covenants and agreements of Borrower contained in the Loan Agreement or any Loan Documents, excluding the Environmental Indemnity.

Borrower represents and warrants that Borrower is lawfully seized of the Property and has the right, power and authority to grant, convey and assign the Property, and that the Property is unencumbered, except as shown on the schedule of exceptions to coverage in the Title Policy issued to and accepted by Lender contemporaneously with the execution and recordation of this Deed and insuring Lender's interest in the Property ("Schedule of Title Exceptions"). Borrower covenants that Borrower will warrant and defend generally the title to the Property against all claims and demands, subject to any easements and restrictions listed in the Schedule of Title Exceptions.

Section 2. Security Agreement and Fixture Filing.

- (a) This Deed is also a security agreement under the UCC for any of the Property which, under applicable law, may be subjected to a security interest under the UCC, for purpose of securing the Borrower's obligations under this Deed and to further secure Borrower's obligations under the Loan Documents, whether such Property is owned now or acquired in the future, and all products and cash and non-cash proceeds thereof (collectively "UCC Collateral"), and by this Deed, Borrower grants to Lender a security interest in the UCC Collateral. To the extent necessary under applicable law, Borrower hereby authorizes Lender to prepare and file financing statements, continuation statements and financing statement amendments in such form as Lender may require to perfect or continue the perfection of this security interest.
- (b) Unless Borrower gives Notice to Lender within thirty (30) days of the occurrence of any of the following, and executes and delivers to Lender modifications or supplements to this Deed (and any financing statement which may be filed in connection with this Deed)

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as Lender may require, Borrower will not (i) change its name, identity, structure or jurisdiction of organization; (ii) change the location of its place of business (or chief executive office if more than one place of business); or (iii) add to or change any location at which any of the Property is stored, held or located.

- (c) If an Event of Default has occurred and is continuing, Lender will have the remedies of a secured party under the UCC, in addition to all remedies provided by this Deed or existing under applicable law. In exercising any remedies, Lender may exercise its remedies against the UCC Collateral separately or together, and in any order, without in any way affecting the availability of Lender's other remedies.
- (d) This Deed also constitutes a financing statement with respect to any part of the Property that is or may become a Fixture, if permitted by applicable law.

Section 3. Assignment of Leases and Rents.

- (a) **Assignment of Leases and Rents.** As part of the consideration for the Indebtedness, Borrower absolutely, presently, irrevocably and unconditionally grants, assigns and transfers to Lender all of Borrower's present and future right, title, interest, and estate in, to, and under all current and future Leases and Rents (including Borrower's right, power and authority to modify the terms of any such Leases, or extend or terminate any such Leases), and the absolute, present, irrevocable and unconditional right to receive, collect, and possess all Rents. It is the intention of Borrower to establish a present, absolute and irrevocable transfer and assignment to Lender of all Borrower's right, title, and interest in, to and under the Leases and Rents, and to authorize and empower Lender to collect and receive all Rents without the necessity of further action on the part of Borrower. Borrower and Lender intend this assignment of Leases and Rents to be immediately effective and to constitute an absolute present assignment and not an assignment for additional security only. Only for purposes of giving effect to this absolute assignment of Leases and Rents, and for no other purpose, the Leases and Rents will not be deemed to be a part of the Property. However, if this present, absolute and unconditional assignment of Leases and Rents is not enforceable by its terms under the laws of the Property Jurisdiction, then each of the Leases and Rents will be included as a part of the Property and it is the intention of Borrower that in such circumstance, this Deed will create and perfect a Lien on each of the Leases and Rents in favor of Lender, which Lien will be effective as of the Effective Date. This assignment of Leases and Rents is intended to be specific, perfected, and choate upon recording as provided in RCW Section 7.28.230.
- (b) **Further Assignments; Delivery of Leases.** Promptly upon request by Lender, Borrower agrees to (i) execute and deliver such further assignments as Lender may from time to time require; and (ii) promptly deliver to Lender an executed copy of each residential Lease then in effect.
- (c) **Revocable License.**

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- (i) **Grant of Revocable License.** Until the occurrence of an Event of Default, but subject to any limitations set forth in the Loan Documents, Lender hereby grants to Borrower a revocable license to exercise all rights, power and authority granted to Borrower under Leases (including the right, power, and authority to modify the terms of any Lease, extend or terminate any Lease, or enter into new Leases, subject to the limitations set forth in the Loan Documents), and to collect and receive all Rents, to hold all Rents in trust for the benefit of Lender and to apply all Rents to pay the installments of interest and principal then due and payable under the Note and the other amounts then due and payable under the other Loan Documents, including Imposition Deposits, and to pay the current costs and expenses of managing, operating and maintaining the Property, including utilities and Impositions (to the extent not included in Imposition Deposits), tenant improvements and other capital expenditures. So long as no Event of Default or Potential Default has occurred and is continuing, the Rents remaining after application pursuant to the preceding sentence may be retained by Borrower free and clear of, and released from, Lender's rights with respect to Rents under this Deed.
- (ii) **Termination of License; Event of Default.** If an Event of Default has occurred and is continuing, without the necessity of Lender entering upon and taking and maintaining control of the Property directly, by a receiver, or by any other manner or proceeding permitted by the laws of the Property Jurisdiction, the revocable license granted to Borrower will automatically terminate, and Lender will immediately have all rights, powers and authority granted to Borrower under any Lease (including the right, power, and authority to modify the terms of such Lease, or extend or terminate any such Lease) and, without Notice, Lender will be entitled to all Rents as they become due and payable, including Rents then due and unpaid. After the occurrence of an Event of Default, and during the continuance of such Event of Default, Borrower: (A) will comply with and observe Borrower's obligations under all Leases, including Borrower's obligations pertaining to the maintenance and disposition of security deposits; and (B) authorizes Lender to collect, sue for and compromise Rents and directs each tenant of the Property to pay all Rents to, or as directed by, Lender, and Borrower will, upon Borrower's receipt of any Rents from any sources, pay the total amount of such receipts to Lender.
- (iii) **Demand for Rents.** Although the foregoing rights of Lender are self-effecting, at any time during the continuance of an Event of Default, Lender may make demands for all Rents, and Borrower will pay to Lender upon demand all Rents to which Lender is entitled. At any time on or after the date of Lender's demand for Rents, Lender may give, and Borrower hereby irrevocably authorizes Lender to give, notice to all tenants of the Property instructing them to pay all Rents to Lender. No tenant will be obligated to inquire further as to the occurrence of continuance of an Event of Default. No tenant will be obligated to pay to Borrower any amounts which are actually paid to Lender in response to such notice. Any such notice by Lender will be delivered to each tenant personally, by mail or by delivering such demand to each rental unit. Borrower will not interfere with and will cooperate with Lender's collection of such Rents.

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(d) **Event of Default; Remedies.** If an Event of Default has occurred and is continuing, then Lender will have each of the following rights and may take any of the following actions.

- (i) Lender may, regardless of the adequacy of Lender's security or the solvency of the Borrower and even the absence of waste, enter upon and take and maintain full control of the Property, and may exclude Borrower and its agents and employees from the Property, in order to perform all acts that Lender, in its discretion, determines to be necessary or desirable for the operation and maintenance of the Property, including the execution, cancellation or modification of Leases, the collection of all Rents, the making of repairs to the Property and the execution or termination of contracts providing for the management, operation or maintenance of the Property, for the purposes of enforcing this assignment of Rents, protecting the Property or the security of this Deed, or for such other purposes as Lender in its discretion may deem necessary or desirable.
- (ii) Alternatively, if an Event of Default has occurred and is continuing, regardless of the adequacy of Lender's security, without regard to Borrower's solvency and without the necessity of giving prior notice (oral or written) to Borrower, Lender may apply to any court having jurisdiction for the appointment of a receiver for the Property to take any or all of the actions set forth in this Section 3. If Lender elects to seek the appointment of a receiver for the Property at any time after an Event of Default has occurred and is continuing, Borrower, by its execution of this Deed, expressly consents to the appointment of such receiver, including the appointment of a receiver *ex parte* if permitted by applicable law. Borrower consents to shortened time consideration of a motion to appoint a receiver.
- (iii) Lender or the receiver, as the case may be, will be entitled to receive a reasonable fee for managing the Property and such fee will become an additional part of the Indebtedness.
- (iv) Immediately upon appointment of a receiver or immediately upon Lender's entering upon and taking possession and control of the Property, Borrower will surrender possession of the Property to Lender or the receiver, as the case may be, and will deliver to Lender or the receiver, as the case may be, all documents, records (including records on electronic or magnetic media), accounts, surveys, plans, and specifications relating to the Property and all security deposits and prepaid Rents.
- (v) If Lender takes possession and control of the Property, then Lender may exclude Borrower and its representatives from the Property.
- (vi) If Borrower is a housing cooperative corporation or association, Borrower hereby agrees that if a receiver is appointed, the order appointing the receiver may contain a provision requiring the receiver to pay the installments of interest and

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principal then due and payable under the Note and the other amounts then due and payable under the other Loan Documents, including Imposition Deposits, it being acknowledged and agreed that the Indebtedness is an obligation of the Borrower and must be paid out of maintenance charges payable by Borrower's tenant shareholders under their proprietary leases or occupancy agreements.

Borrower acknowledges and agrees that the exercise by Lender of any of the rights conferred under this Section 3 will not be construed to make Lender a mortgagee-in-possession of the Property so long as Lender has not itself entered into actual possession of the Land and Improvements.

- (e) **Limitation of Lender's Obligations and Liabilities.** The acceptance by Lender of the assignments of Leases and Rents pursuant to this Section 3 will not at any time or in any event obligate Lender to take any action under any Loan Documents or to expend any money or to incur any expenses. Except to the extent of Lender's gross negligence or willful misconduct, as determined by a court of competent jurisdiction pursuant to a final, non-appealable court order, Lender will not be liable in any way for any injury or damage to person or property sustained by any Person in, on or about the Property. Prior to Lender's actual entry upon and taking possession and control of the Land and Improvements, Lender will not be: (A) obligated to perform any of the terms, covenants and conditions contained in any Lease (or otherwise have any obligation with respect to any Lease); (B) obligated to appear in or defend any action or proceeding related to any Lease or the Property; or (C) responsible for the operation, control, care, management or repair of all or any portion of the Property. The execution of this Deed by Borrower will constitute conclusive evidence that all responsibility for the operation, control, care, management and repair of the Property is and will be that of Borrower, prior to such actual entry and taking of possession and control of the Land and Improvements by Lender or receiver, as the case may be.
- (f) **Rents Received.** If Lender enters the Property, Lender will be liable to account only to Borrower and only for those Rents actually received by Lender. Except to the extent of Lender's gross negligence and willful misconduct, as determined by a court of competent jurisdiction pursuant to a final, non-appealable court order, Lender will not be liable to Borrower, anyone claiming under or through Borrower or anyone having an interest in the Property by reason of any act or omission of Lender under Section 3, and Borrower hereby releases and discharges Lender from any such liability to the fullest extent permitted by law. If the Rents are not sufficient to meet the costs of taking control of and managing the Property and collecting the Rents, any funds expended by Lender for such purposes will become an additional part of the Indebtedness, and bear interest at the Default Rate from the date of disbursement until fully paid.
- (g) **No Waiver Upon Entry.** Any entering upon and taking of control of the Property by Lender or the receiver, as the case may be, and any application of Rents as provided in this Deed, will not cure or waive any Event of Default or invalidate any other right or remedy of Lender under applicable law or provided for in the Loan Documents.

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- (h) **Cooperative Housing.** If Borrower is a cooperative housing corporation or association, notwithstanding anything to the contrary contained in this Deed, so long as Borrower remains a cooperative housing corporation or association and is not in breach of any covenant of this Deed, Lender consents to the following:
- (i) Borrower may execute leases of apartments for a term in excess of two (2) years to a tenant shareholder of Borrower, so long as such leases, including proprietary leases, are and will remain subordinate to the lien of this Deed.
 - (ii) Borrower may surrender or terminate such leases of apartments where the surrendered or terminated lease is immediately replaced or where Borrower makes its best efforts to secure such immediate replacement by a newly-executed lease of the same apartment to a tenant shareholder of Borrower. However, no consent is given by Lender to any execution, surrender, termination or assignment of a lease under terms that would waive or reduce the obligation of the resulting tenant shareholder under such lease to pay cooperative assessments in full when due or the obligation of the former tenant shareholder to pay any unpaid portion of such assessments.

Section 4. Prepayment Premium. Borrower will be required to pay a Prepayment Fee in connection with certain prepayments of the Indebtedness, including a payment made after Lender's exercise of any right of acceleration of the Indebtedness, as provided in the Note.

Section 5. Application of Payments. If at any time Lender receives, from Borrower or otherwise, any amount applicable to the Indebtedness which is less than all amounts due and payable at such time, then Lender may apply that payment to amounts then due and payable in any manner and in any order determined by Lender, in Lender's discretion. Neither Lender's acceptance of an amount that is less than all amounts then due and payable nor Lender's application of such payment in the manner authorized will constitute or be deemed to constitute either a waiver of the unpaid amounts or an accord and satisfaction. Notwithstanding the application of any such amount to the Indebtedness, Borrower's obligations under this Deed and all other Loan Documents will remain unchanged.

Section 6. Protection of Lender's Security; Deed Secures Future Advances.

- (a) If Borrower fails to perform any of its obligations under this Deed or any other Loan Documents, or if any action or proceeding is commenced which purports to affect the Property, Lender's security, rights, or interests under this Deed (including eminent domain, insolvency, code enforcement, civil or criminal forfeiture, enforcement of Environmental Laws, fraudulent conveyance or reorganizations or proceedings involving a debtor or decedent), then Lender at Lender's option may make such appearances, file such documents, disburse such sums and take such actions, whether before or after an Event of Default or whether directly or to any receiver for the Property, as Lender reasonably deems necessary to perform such obligations of Borrower and to protect Lender's interest, including all of the following:
 - (i) Lender may pay Attorneys' Fees and Costs.

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- (ii) Lender may pay fees and out-of-pocket expenses of accountants, inspectors and consultants.
 - (iii) Lender may enter upon the Property to make repairs or secure the Property.
 - (iv) Lender may procure any insurance required by the Loan Documents.
 - (v) Lender may pay any amounts which Borrower has failed to pay under the Loan Documents.
 - (vi) Lender may perform any of Borrower's obligations under the Loan Documents.
 - (vii) Lender may make advances to pay, satisfy or discharge any obligation of Borrower for the payment of money that is secured by a Prior Lien.
- (b) Any amounts disbursed by Lender under this Section 6, or under any other provision of this Deed that treats such disbursement as being made under this Section 6, will be secured by this Deed, will be added to, and become part of, the principal component of the Indebtedness, will be immediately due and payable and will bear interest from the date of disbursement until paid at the Default Rate.
- (c) Nothing in this Section 6 will require Lender to incur any expense or take any action.

Section 7. Events of Default. An Event of Default under the Loan Agreement will constitute an Event of Default under this Deed.

Section 8. Remedies Following Event of Default.

- (a) If an Event of Default has occurred and is continuing, Lender, at Lender's option, may declare the Indebtedness to be immediately due and payable without further demand. After giving Borrower notice of the occurrence of an Event of Default in the manner prescribed by Washington law, Lender may invoke the power of sale and any other remedies permitted by Washington law or provided in this Deed or in any other Loan Documents. Borrower acknowledges that the power of sale granted in this Deed may be exercised by Lender without prior judicial hearing. Borrower has the right to bring an action to assert that an Event of Default does not exist or to raise any other defense Borrower may have to acceleration and sale. Lender will be entitled to collect all costs and expenses incurred in pursuing such remedies, including Attorneys' Fees and Costs and costs of documentary evidence, abstracts and title reports.
- (b) If Lender invokes the power of sale, Lender will give written notice to Trustee of the occurrence of the Event of Default and of Lender's election to cause the Property to be sold. Trustee and Lender will give such notices as Washington law may require to Borrower and to all other persons entitled to receive notice under Washington law. After the lapse of such time as may be required by Washington law, Trustee will sell the Property according to Washington law. Trustee may sell the Property at the time and

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place and under the terms designated in the notice of sale in one or more parcels and in such order as Trustee may determine, to the extent permitted by RCW 61.24.040, 61.24.070 and other applicable law. Trustee may postpone the sale of all or any part of the Property in accordance with RCW Section 61.24.040(6) and other applicable law. Lender or Lender's designee may purchase the Property at any sale and Lender or such designee will have the right to credit bid all or any part of the Indebtedness toward the purchase price at such sale.

- (c) Within a reasonable time after the sale, Trustee will deliver to the purchaser at the sale, a deed conveying the Property so sold without any express or implied covenant or warranty. The recitals in Trustee's deed will be prima facie evidence of the sale having been conducted in compliance with all the requirements of applicable law and of the Deed and conclusive evidence thereof in favor of bona fide purchasers and encumbrancers for value. Trustee will apply the proceeds of the sale as required by RCW Section 61.24.080 and other applicable law.

Section 9. Remedies Cumulative. Each right and remedy provided in this Deed is distinct from all other rights and remedies under this Deed or any other Loan Documents or afforded by applicable law or equity, and each will be cumulative and may be exercised concurrently, independently or successively, in any order. Lender's exercise of any particular right or remedy will not in any way prevent Lender from exercising any other right or remedy available to Lender. Lender may exercise any such remedies from time to time and as often as Lender chooses. Borrower has the right to bring an action to assert the nonexistence of an Event of Default or any other defense of Borrower to accelerate and sale.

Section 10. Waiver of Statute of Limitations, Offsets and Counterclaims. Borrower waives the right to assert any statute of limitations as a bar to the enforcement of the Lien of this Deed or to any action brought to enforce any Loan Document. Borrower hereby waives the right to assert a counterclaim, other than a compulsory counterclaim, in any action or proceeding brought against it by Lender or otherwise to offset any obligations to make the payments required by the Loan Documents. No failure by Lender to perform any of its obligations under this Deed will be a valid defense to, or result in any offset against, any payments that Borrower is obligated to make under any of the Loan Documents.

Section 11. Waiver of Marshalling.

- (a) Notwithstanding the existence of any other security interests in the Property held by Lender or by any other party, Lender will have the right to determine the order in which any or all of the Property will be subjected to the remedies provided in this Deed, any other Loan Documents or under applicable law. Lender will have the right to determine the order in which any or all portions of the Indebtedness are satisfied from the proceeds realized upon the exercise of such remedies.
- (b) Borrower and any party who now or in the future acquires a security interest in the Property or who has actual or constructive notice of this Deed waives any and all right to require the marshalling of assets or to require that any of the Property be sold in the inverse order of alienation or that any of the Property be sold in parcels or as an entirety

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in connection with the exercise of any of the remedies permitted by applicable law or provided in this Deed.

Section 12. Reconveyance. Upon payment of the Indebtedness, Lender will request Trustee to reconvey the Property and will surrender this Deed and the Note to Trustee. Trustee will reconvey the Property without warranty to the Person legally entitled to the Property. Such Person will pay Trustee's reasonable costs incurred in so reconveying the Property.

Section 13. Substitute Trustee. In accordance with Washington law, Lender may from time to time appoint a successor trustee to any Trustee appointed under this Instrument who has ceased to act. Without conveyance of the Property, the successor trustee will succeed to all the title, power and duties conferred upon the predecessor Trustee and by applicable law.

Section 14. Notice. All Notices, demands and other communications under or concerning this Deed will be governed by the terms of the Loan Agreement.

Section 15. Governing Law; Consent to Jurisdiction and Venue. This Deed will be governed by the laws of the Property Jurisdiction. Borrower agrees that any controversy arising under or in relation to this Deed may be litigated in the Property Jurisdiction. Borrower irrevocably consents to service, jurisdiction and venue of such courts for any such litigation and waives any other venue to which it might be entitled. However, nothing in this Section 15 is intended to limit Lender's right to bring any suit, action or proceeding relating to matters under this Deed in any court of any other jurisdiction.

Section 16. Successors and Assigns Bound. This Deed will bind the respective successors and assigns of Borrower and Lender, and the rights granted by this Deed will inure to Lender's successors and assigns.

Section 17. Joint and Several Liability. If more than one Person signs this Deed as Borrower, the obligations of such Persons will be joint and several.

Section 18. Relationship of Parties; No Third Party Beneficiaries.

- (a) The relationship between Lender and Borrower will be solely that of creditor and debtor, respectively, and nothing contained in this Deed will create any other relationship between Lender and Borrower. Nothing contained in this Deed will constitute Lender as a joint venture, partner or agent of Borrower, or render Lender liable for any debts, obligations, acts, omissions, representations or contracts of Borrower.
- (b) No creditor of any party to this Deed and no other Person will be a third party beneficiary of this Deed or any other Loan Document. Without limiting the generality of the preceding sentence, (i) any arrangement between Lender and any Loan Servicer for loss sharing or interim advancement of funds will constitute a contractual obligation of such Loan Servicer that is independent of the obligation of Borrower for the payment of the Indebtedness, (ii) Borrower will not be a third party beneficiary of any agreement

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between Lender and a Loan Servicer, and (iii) no payment by the Loan Servicer will reduce the amount of the Indebtedness.

Section 19. Severability; Amendments.

- (a) The invalidity or unenforceability of any provision of this Deed will not affect the validity or enforceability of any other provision, and all other provisions will remain in full force and effect. This Deed contains the entire agreement among the parties as to the rights granted and the obligations assumed in this Deed.
- (b) This Deed may not be amended or modified except by a writing signed by the party against whom enforcement is sought.

Section 20. Time is of the Essence. Time is of the essence with respect to each covenant of this Deed.**Section 21. Construction; Interpretation.** The captions and headings contained in this Deed are for convenience only and will be disregarded in construing this Deed. Use of the singular in this Deed includes the plural and use of the plural includes the singular. The use of one gender includes the other gender. The term "including" means "including, but not limited to" and the term "includes" means "includes without limitation."**Section 22. Subrogation.** If, and to the extent that, the proceeds of the Loan evidenced by the Note or the subsequent advances under Section 6, are used to pay, satisfy or discharge any Prior Lien, such loan proceeds or advances will be deemed to have been advanced by Lender at Borrower's request, and Lender will automatically, and without further action required on its part, be subrogated to the rights, including Lien priority, of the owner or holder of the obligation secured by the Prior Lien, whether or not the Prior Lien is released.**Section 23. Use of Property; Not Agricultural.** The Property is not used principally for agricultural purposes.**Section 24. Oral Agreements. NOTICE: ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY EXTEND CREDIT OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.****Section 25. Waiver of Indemnitor Immunity Under RCW 4.24.115.** With respect to any contractual matters that Borrower establishes in any action within the scope of RCW Section 4.24.115, Borrower expressly (a) waives Borrower's immunity under RCW title 51 and acknowledges that such waiver was mutually negotiated by the parties; and (b) agrees to indemnify Lender. The scope of this indemnity shall be limited with regard to damages resulting from the concurrent negligence of Borrower or Borrower's agents or employees and of Lender or Lender's agents or employees, as to which Borrower agrees to indemnify Lender to the extent of the negligence of Borrower or Borrower's agents or employees. Nothing herein shall be deemed to require Borrower to indemnify Lender against the sole or concurrent negligence of Lender or Lender's agents or employees if such indemnity would be prohibited

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under RCW Section 4.24.115. The parties intend that under this indemnity, unless otherwise expressly limited herein, Borrower shall indemnify Lender to the fullest extent not prohibited by law, including in the event of the sole or concurrent negligence of Lender or of any other person or entity.

Section 26. Environmental Obligations. Notwithstanding any provision to the contrary contained in this Deed or in any other Loan Document, including the Loan Agreement, this Deed intentionally and specifically does not secure: (i) reimbursement obligations of Borrower to Lender pertaining to the environmental status or condition of the Property ("Environmental Obligations"), including any Environmental Obligations in the Environmental Indemnity (e.g. regarding the Remedial Work as defined in the Environmental Indemnity); (ii) any portion of the Indebtedness comprised of Environmental Obligations; or (iii) the "substantial equivalent" of any such Environmental Obligations.

Section 27. WAIVER OF TRIAL BY JURY.

TO THE FULLEST EXTENT PERMITTED BY LAW, BORROWER HEREBY KNOWINGLY, INTENTIONALLY AND VOLUNTARILY, WITH AND UPON THE ADVICE OF COMPETENT COUNSEL, AGREES NOT TO ELECT A TRIAL BY JURY OF ANY ISSUE TRIABLE OF RIGHT BY JURY, AND WAIVES ANY RIGHT TO TRIAL BY JURY FULLY TO THE EXTENT THAT ANY SUCH RIGHT WILL NOW OR HEREAFTER EXIST WITH REGARD TO THIS DEED OR THE RELATIONSHIP BETWEEN THE PARTIES AS BORROWER AND LENDER, OR ANY CLAIM, COUNTERCLAIM OR OTHER ACTION ARISING IN CONNECTION THEREWITH. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS INTENDED TO ENCOMPASS INDIVIDUALLY EACH INSTANCE AND EACH ISSUE AS TO WHICH THE RIGHT TO A TRIAL BY JURY WOULD OTHERWISE ACCRUE. LENDER IS HEREBY AUTHORIZED TO FILE A COPY OF THIS SECTION IN ANY PROCEEDING AS CONCLUSIVE EVIDENCE OF THIS WAIVER BY BORROWER.

Section 28. Definitions. Capitalized terms used but not specifically defined in this Deed have the meanings assigned to such terms in the Loan Agreement. The following terms, when used in this Deed, will have the following meanings.

- (a) **Attorneys' Fees and Costs.** (i) All fees and out of pocket costs of Lender's and Loan Servicer's attorneys, as applicable, including costs of Lender's and Loan Servicer's in-house counsel, support staff costs, costs of preparing for litigation, computerized research, mileage, deposition costs, postage, duplicating, process service, videotaping and similar costs and expenses; (ii) costs and fees of expert witnesses, including appraisers; (iii) investigatory fees; and (iv) costs for any opinion required by Lender pursuant to the terms of the Loan Documents.
- (b) **Condemnation Action.** Any action or proceeding, however characterized or named, relating to any condemnation or other taking, or conveyance in lieu thereof, of all or any part of the Property, whether direct or indirect.

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- (c) **Enforcement Costs.** All expenses and costs, including Attorneys' Fees and Costs, incurred by Lender as a result of any Event of Default under the Loan Agreement or in connection with efforts to collect any amount due under the Loan Documents, or to enforce the provisions of the Loan Agreement or any of the other Loan Documents, including those incurred in post-judgment collection efforts and in any bankruptcy or insolvency proceeding (including any action for relief from the automatic stay of any bankruptcy proceeding or Foreclosure Event) or judicial or non-judicial foreclosure proceeding, to the extent permitted by law.
- (d) **Fixture.** All Goods that are so attached or affixed to the Land or the Improvements as to constitute a fixture under the laws of the Property Jurisdiction.
- (e) **Goods.** All of Borrower's present and hereafter acquired right, title and interest in all goods which are used now or in the future in connection with the ownership, management, or operation of the Land or the Improvements or are located on the Land or in the Improvements including inventory; furniture, furnishings; machinery, equipment, engines, boilers, incinerators, and installed building materials; systems and equipment for the purpose of supplying or distributing heating, cooling, electricity, gas, water, air, or light; antennas, cable, wiring, and conduits used in connection with radio, television, security, fire prevention, or fire detection, or otherwise used to carry electronic signals; telephone systems and equipment; elevators and related machinery and equipment; fire detection, prevention and extinguishing systems and apparatus; security and access control systems and apparatus; plumbing systems; water heaters, stoves, microwave ovens, refrigerators, dishwashers, garbage disposals, washers, dryers, and other appliances; light fixtures, awnings, storm windows, and storm doors; pictures, screens, blinds, shades, curtains, and curtain rods; mirrors, cabinets, paneling, rugs, and floor and wall coverings; fences, trees, and plants; swimming pools; exercise equipment; supplies; tools; books and records (whether in written or electronic form); and other tangible property which is used now or in the future in connection with the ownership, management, or operation of the Land or Improvements or are located on the Land or in the Improvements.
- (f) **Imposition Deposits.** Deposits in an amount sufficient to accumulate with Lender the entire sum required to pay Impositions as described in the Loan Agreement.
- (g) **Impositions.** Any water and sewer charges which, if not paid, may result in a lien on all or any of the Property; the premiums for insurance as Lender may require under the Loan Agreement; Taxes; and amounts for other charges and expenses assessed against the Property which Lender at any time reasonably deems necessary to protect the Property, to prevent the imposition of Liens on the Property, or otherwise to protect Lender's interests, all as reasonably determined from time to time by Lender.
- (h) **Improvements.** The buildings, structures, improvements, and alterations now constructed or at any time in the future constructed or placed on the Land, including any future replacements, facilities, and additions and other construction on the Land.

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- (i) **Indebtedness.** The principal of, interest on, and all other amounts due at any time under the Note, the Loan Agreement, this Deed, or any Loan Documents (other than the Environmental Indemnity and Guaranty), including Prepayment Fees, late charges, interest charged at the Default Rate, and accrued interest as provided in the Loan Agreement, Note and this Deed, advances, costs and expense to perform the obligations of Borrower or to protect the Property or the security of this Deed, all other monetary obligations of Borrower under the Loan Documents (other than the Environmental Indemnity), including the amounts due as a result of any indemnification obligations, and any Enforcement Costs.
- (j) **Land.** The real property described in Exhibit A to this Deed.
- (k) **Leases.** All present and future leases, subleases, licenses, concessions or grants or other possessory interests now or hereafter in force, whether oral or written, covering or affecting the Property, or any portion of the Property, and all modifications, extensions or renewals thereof.
- (l) **Lien.** Any claim or charge against property for payment of a debt or an amount owed for services rendered, including any mortgage, deed of trust, deed to secure debt, security interest, tax lien, any materialman's, laborer's or mechanic's lien, or any lien of a Governmental Authority, including any lien in connection with the payment of utilities, or any other encumbrance.
- (m) **Loan Agreement.** That certain Loan and Security Agreement (Recourse) dated as of the date of this Deed, executed by and between Borrower and Lender (as amended, restated, replaced, supplemented or otherwise modified from time to time).
- (n) **O&M Plan.** This term has the meaning as set forth in the Environmental Indemnity.
- (o) **Personal Property.** All of Borrower's present and hereafter acquired right, title, and interest in all Fixtures, accounts, choses of action, chattel paper, documents, general intangibles, payment intangibles, instruments, investment property, letter of credit rights, supporting obligations, records and data, deposit accounts and other property or assets of any kind or nature related to the Land or the Improvements now or in the future, including operating agreements, surveys, plans and specifications and contracts for architectural, engineering and construction services relating to the Land or the Improvements, and all other intangible property and rights relating to the operation of, or used in connection with, the Land or the Improvements, including all governmental permits relating to any activities on the Land.
- (p) **Prohibited Activity or Condition.** This term has the meaning as set forth in the Environmental Indemnity.
- (q) **Property.** All Borrower's present and hereafter acquired right, title, and interest, if any, in and to all of the following:
 - (i) the Land;

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- (ii) the Improvements;
- (iii) the Personal Property;
- (iv) current and future rights, including air rights, development rights, zoning rights and other similar rights and interests, easements, tenements, rights-of-way, streets, alleys, roads, sewer rights, waters, watercourses, and appurtenances related to or benefitting the Land of the Improvements, or both, and all rights-of-way, streets, alleys and roads which may have been or may in the future be vacated;
- (v) insurance policies relating to the Property (and any unearned premiums) and all proceeds paid or to be paid by any insurer of the Land, the Improvements, the Personal Property, or any other part of the Property, whether or not Borrower obtained the insurance pursuant to Lender's requirements;
- (vi) awards, payments and other compensation made or to be made by any municipal, state, or federal authority with respect to the Land, the Improvements, the Personal Property, or any other part of the Property, including any awards or settlements resulting from (A) any Condemnation Action, (B) any damage to the Property caused by governmental action that does not result in a Condemnation Action, or (C) the total or partial taking of the Land, the Improvements, the Personal Property, or any other part of the Property, under the power of eminent domain or otherwise and including any conveyance in lieu thereof;
- (vii) contract, options and other agreements for the sale of the Land, the Improvements, the Personal Property, or any other part of the Property entered into by Borrower now or in the future, including cash or securities deposited to secure performance by parties of their obligations;
- (viii) Leases and Lease guaranties, letters of credit and any other supporting obligation for any of the Leases given in connection with any of the Leases, and all Rents;
- (ix) earnings, royalties, accounts receivable, issues and profits from the Land, the Improvements or any other part of the Property, and all undispersed proceeds of the Loan and, if Borrower is a cooperative housing corporation, maintenance charges or assessments payable by shareholders or residents;
- (x) Imposition Deposits;
- (xi) refunds or rebates of Impositions by any municipal, state, or federal authority or insurance company (other than refunds applicable to periods before the real property tax year in which this Deed is dated);
- (xii) tenant security deposits;
- (xiii) any funds to be held in an account or escrow account that relates to the Loan;

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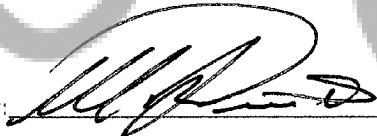
- (xiv) all of Borrower's right, title and interest in the oil, gas, minerals, mineral interests royalties, overriding royalties, production payments, net profit interests and other interests and estates in, under and on the Property and other oil, gas and mineral interests with which any of the foregoing interests or estates are pooled or unitized.
- (r) **Property Jurisdiction.** The jurisdiction in which the Land is located.
- (s) **Rents.** All rents (whether from residential or non-residential space), revenues and other income from the Land or Improvements, including subsidy payments received from any sources, including payments under any "Housing Assistance Payments Contract" or other rental subsidy agreement (if any) and tenant security deposits.
- (t) **Taxes.** All taxes, assessments, and other charges, if any, general, special or otherwise, which are levied, assessed or imposed by any public authority or quasi-public authority, and which, if not paid, may become a lien, on the Land or the Improvements or any taxes upon any Loan Documents.
- (u) **UCC.** This term means the Uniform Commercial Code in effect in the Property Jurisdiction, as amended from time to time.

Section 29. Attached Exhibits. The following Exhibits, if marked with an "X" in the space provided, are attached to this Deed:

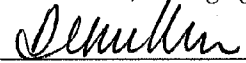
- ☒ Exhibit A Description of Land (required)
- ☐ Exhibit B Modifications to Deed (if applicable)
- ☐ Exhibit C Ground Lease Description (if applicable)

IN WITNESS WHEREOF, Trustor has signed and delivered this Deed of Trust or has caused this Deed of Trust to be signed and delivered by its duly authorized representative.

Deer Point Meadows Investments, LLC, a Washington limited liability company

By: 

Mike Werner, Managing Member

By: 

Denise Werner, Managing Member

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ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of Washington

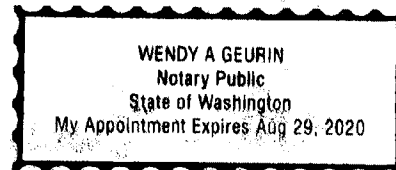
County of Clark

On 10-5-18 before me, Wendy A. Geurin,
(Name and Title of Notary Public)
personally appeared Mike Werner + Denise Werner, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the state of Washington that the foregoing paragraph is true and correct.

WITNESS my hand and official seal,

Signature Wendy A. Geurin (Seal)



Luther Burbank Savings

**Date: October 4, 2018
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EXHIBIT A

Description of Property

UNITS 1 THROUGH 7 AND THE PARKING SPACES OF THE LAKESHORE
CONDOMINIUM, ACCORDING TO THE DEDICATION RECORDED IN BOOK
"181", PAGE 363, ALSO RECORDED IN

BOOK "1" OF CONDOMINIUMS, PAGE 1, SKAMANIA COUNTY, WASHINGTON.

TAX ACCOUNT NO.: 02 07 20 1 0 0218 81, 02 07 20 1 0 0218 82, 02 07 20 1 0 0218 83, 02 07
20 1 0 0218 84, 02 07 20 1 0 0218 85, 02 07 20 1 0 0218 80, 02 07 20 1 0 0218 00