

AFTER RECORDING MAIL TO:

Name Blank Rome LLP
Address 1825 Eye Street NW
City/State Washington, D.C. 20006
Attn: Ryan Craig, Esq.

Document Title(s): (or transactions contained herein)
**Deed of Trust, Assignment of Leases and Rents,
Security Agreement and Fixture Filing**

Reference Number(s) of Documents assigned or released:

NONE

Grantor(s):
RADIANT PROPERTIES LA CONNER, LLC



Grantee(s):

GUARDIAN NORTHWEST TITLE & ESCROW COMPANY/CONGRESSIONAL
BANK

Abbreviated Legal Description as follows: (i.e. lot/block/plat or section/township/range/quarter/quarter)

Lots 1, 2, 3, 4, 5 and 6, Block 4, and Lots 1, 2, 3 and 4, Block 5, Calhoun Addition to the
Town of La Conner, Plat Book Volume 1, Page 14, Skagit County, WA.

Assessor's Property Tax Parcel/Account Number(s):

P74123, P74124, P74125, P74126 and P74127

**I AM REQUESTING AN EMERGENCY NONSTANDARD RECORDING FOR AN
ADDITIONAL FEE AS PROVIDED IN RCW 36.18.010. I UNDERSTAND THAT
THE RECORDING PROCESSING REQUIREMENTS MAY COVER UP OR
OTHERWISE OBSCURE SOME PART OF THE TEXT OR THE ORIGINAL DOCUMENT.**

PREPARED BY AND
UPON RECORDATION RETURN TO:

Blank Rome LLP
1825 Eye Street NW
Washington, D.C. 20006
Attn: Ryan Craig, Esq.

**DEED OF TRUST, ASSIGNMENT OF LEASES AND RENTS,
SECURITY AGREEMENT AND FIXTURE FILING**

THIS DEED OF TRUST, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING (this "**Security Instrument**") is made as of this 21st day of October, 2020, by **RADIANT PROPERTIES LA CONNER, LLC**, a Washington limited liability company, having its principal place of business at c/o Radiant Senior Living, Inc., 10220 SW Greenburg Road, Suite 201, Portland, Oregon 97223, Attention: James Guffee, as grantor (together with its permitted successors and assigns, "**Grantor**"), to **GUARDIAN NORTHWEST TITLE & ESCROW COMPANY**, having an address at 1301 Riverside Drive, Suite B, Mount Vernon, WA 98273, as trustee (together with its successors and assigns, "**Trustee**"), for the benefit of **CONGRESSIONAL BANK**, a Maryland chartered commercial bank, as Administrative Agent for the Lenders under the herein-defined Loan Agreement, having an address at 4445 Willard Ave, Suite 1000, Chevy Chase, MD 20815, Attention: Healthcare Lending (together with its successors and assigns, "**Beneficiary**"), as grantee. All capitalized terms not defined herein shall have the respective meanings set forth in the Loan Agreement.

RECITALS:

A. This Security Instrument is given to Beneficiary to secure a certain loan in the original principal amount of up to \$42,600,000.00 (the "**Loan**") advanced pursuant to a certain Loan and Security Agreement dated as of the date hereof between Grantor, Radiant Properties Bozeman, LLC, an Oregon limited liability company ("**Bozeman Borrower**"), and Radiant Properties Everett, LLC, a Washington limited liability company ("**Everett Borrower**," and collectively, with Assignor and "Bozeman Borrower", the "**Borrower**"), Beneficiary and the Lenders named therein (as the same may have been or may be amended, restated, replaced, supplemented or otherwise modified from time to time, the "**Loan Agreement**"), which such Loan is evidenced by, among other things, those certain Promissory Notes dated as of the date hereof executed in connection with the Loan Agreement (together with all extensions, renewals, replacements, restatements or other modifications thereof, whether one or more, being hereinafter collectively referred to as the "**Note**");

B. Grantor desires to secure the payment of Borrower's Liabilities and the performance of all of the obligations due under the Note, the Loan Agreement and all other documents, agreements and certificates executed and/or delivered in connection with the Loan (as the same may be amended, restated, replaced, supplemented or otherwise modified from time to

time, and together with the Loan Agreement and the Note, collectively, the “**Loan Documents**”); and

C. This Security Instrument is given pursuant to the Loan Agreement, and payment, fulfillment, and performance of the obligations due thereunder and under the other Loan Documents are secured hereby in accordance with the terms hereof.

NOW THEREFORE, in consideration of the making of the Loan by Lenders and the covenants, agreements, representations and warranties set forth in this Security Instrument:

Article 1 - Grants of Security

Section 1.1 PROPERTY CONVEYED. Grantor does hereby irrevocably mortgage, warrant, grant, pledge and assign to Trustee, its successors and assigns, for the benefit of Beneficiary, with right of entry and possession, all the following property, rights, interests and estates now owned, or hereafter acquired by Grantor: (a) the real property described in Exhibit A attached hereto and made a part hereof (collectively, the “**Real Property**”), the appurtenances and all buildings, fixtures, additions, enlargements, extensions, modifications, repairs, replacements and improvements now or hereafter erected or located on the Real Property (the “**Property**”); (b) the Accounts; (c) liens, guaranties and other rights and privileges pertaining to the Accounts; (d) all books, records and computer records in any way relating to the Accounts; (e) all General Intangibles of Grantor (including without limitation inventions, designs, patents, patent applications, trademarks, trade names, copyrights, licenses, leasehold interests, tax refund claims, guaranty claims and security interests or other security held by Grantor); (f) all Inventory of Grantor, including without limitation finished goods, returned and repossessed goods, raw materials, and work in progress; (g) all goods, equipment, systems, devices, apparatus, vehicles, furniture and fixtures, together with accessions thereto and replacement parts therefore, and all other items of personal property now or hereafter acquired by Grantor, or in which Grantor may now or hereafter have any interest whatsoever; (h) all monies, reserves, deposits, deposit accounts and interest or dividends thereon, securities, cash, cash equivalents, and other property now or at any time or times hereafter in the possession, or under the control, of Beneficiary or its bailee; (i) liens, guaranties and other rights and privileges pertaining to any of the foregoing; (j) all books, records and computer records in any way relating to the foregoing; (k) all other assets of Grantor whether real, personal, tangible or intangible or mixed, now existing or hereafter acquired, created, built or otherwise coming into being; (l) all licenses, permits or waivers issued by any governmental or quasi-governmental authority to or for the benefit of Grantor that are necessary or useful in connection with the ownership of the Property; (m) interests of Grantor in commercial tort claims (as defined in the UCC); (n) all accessions, substitutions, renewals, improvements and replacements of and additions to the foregoing; (o) the Operating Leases and (p) all products and proceeds of the foregoing including, without limitation, proceeds of insurance policies insuring the same (all of the foregoing personal property and real property is hereinafter sometimes individually and sometimes collectively referred to as “**Collateral**”).

Section 1.2 ASSIGNMENT OF RENTS. As additional security for the Borrower's Liabilities, Grantor hereby irrevocably, absolutely, presently and unconditionally assigns to Beneficiary and Trustee all of Grantor's right, title and interest in and to all current and future Leases and all rents, royalties, issues, profits, revenue, income, accounts, proceeds and other

benefits of the Property, whether now due, past due or to become due, including all prepaid rents and security deposits (some or all collectively, as the context may require, "**Rents**"); it being intended by Grantor that this assignment constitutes a present, absolute assignment and not an assignment for additional security only. Beneficiary hereby confers upon Grantor a revocable license ("**License**") to collect, retain and enjoy the Rents as they become due and payable, so long as no Event of Default has occurred and is continuing. Upon the occurrence and during the continuance of an Event of Default, this License shall automatically terminate without notice to or demand upon Grantor, and without regard to the adequacy of Beneficiary's security under this Security Instrument. Grantor hereby authorizes and directs the tenants under the Leases to pay Rents to Beneficiary, so long as an Event of Default has occurred and is continuing and upon written demand by Beneficiary stating that an Event of Default has occurred and is continuing, without further consent of Grantor, without any obligation of such tenants to determine whether an Event of Default has in fact occurred and regardless of whether Beneficiary has taken possession of any portion of the Property, and the tenants may rely upon any written statement delivered by Beneficiary to the tenants. The powers and rights granted in this paragraph shall be in addition to the other remedies herein provided for upon the occurrence of an Event of Default and may be exercised independently of or concurrently with any of said remedies. Nothing in the foregoing shall be construed to impose any obligation upon Beneficiary to exercise any power or right granted in this paragraph or to assume any liability under any Lease of any part of the Property and no liability shall attach to Beneficiary for failure or inability to collect any Rents under any such Lease.

Section 1.3 SECURITY AGREEMENT. The parties intend for this Security Instrument to create a lien on the Collateral, and an absolute assignment of the Rents, all in favor of Beneficiary and Trustee. The parties acknowledge that some of the Collateral and some or all of the Rents may be determined under applicable law to be personal property or fixtures. To the extent that any Property or Rents may be or be determined to be personal property, Grantor as debtor hereby grants Beneficiary as secured party a security interest in all such Collateral and Rents, to secure payment and performance of the Borrower's Liabilities. This Security Instrument constitutes a security agreement under the UCC covering all such Collateral and Rents.

Section 1.4 FIXTURE FILING. THE COLLATERAL IS OR INCLUDES FIXTURES (as that term is defined in the UCC) on the Real Property, and this Security Instrument, upon being filed for record in the real estate records of the city or county wherein such fixtures are situated, shall operate also as a financing statement filed as a fixture filing in accordance with the applicable provisions of said UCC upon such of the Collateral that is or may become fixtures.

Section 1.5 PLEDGE OF MONIES HELD. Grantor hereby pledges to Beneficiary any and all monies now or hereafter held by Beneficiary or on behalf of Beneficiary in connection with the Loan, including, without limitation, any sums deposited in deposit accounts with Beneficiary and any proceeds, awards, judgments or claims, as additional security for the Obligations (as defined below) until expended or applied as provided in the Loan Documents.

Section 1.6 CONDITIONS TO GRANT. TO HAVE AND TO HOLD the above granted and described Property unto Trustee for and on behalf of Beneficiary and to the use and benefit of Beneficiary and Trustee and their successors and assigns, forever; IN TRUST, WITH POWER OF SALE, to secure payment to Beneficiary of the Borrower's Liabilities at the time and in the manner

provided for its payment in the Note and the Loan Agreement; PROVIDED, HOWEVER, these presents are upon the express condition that, if Beneficiary shall be well and truly paid the Borrower's Liabilities at the time and in the manner provided in the Note, the Loan Agreement and this Security Instrument, if Grantor shall well and truly perform the Other Obligations (as defined below) as set forth in this Security Instrument and shall well and truly abide by and comply with each and every covenant and condition set forth herein and in the Note, the Loan Agreement and the other Loan Documents, this Security Instrument shall be canceled and surrendered of record by Beneficiary, which cancellation shall be effected by Beneficiary in due form at Grantor's cost and expense and Grantor shall be responsible for the recordation of such release and payment of any recordation costs associated therewith.

Article 2 - Debt and Obligations Secured

Section 2.1 DEBT. This Security Instrument and the grants, assignments and transfers made in Article 1 are given for the purpose of securing the Borrower's Liabilities.

Section 2.2 OTHER OBLIGATIONS. This Security Instrument and the grants, assignments and transfers made in Article 1 are also given for the purpose of securing the performance of the following (the "**Other Obligations**"): (a) all other obligations of Grantor contained herein; (b) each obligation of Grantor contained in the Loan Agreement and any other Loan Document; and (c) each obligation of Grantor contained in any renewal, extension, amendment, modification, consolidation, change of, or substitution or replacement for, all or any part of the Note, the Loan Agreement or any other Loan Document.

Section 2.3 DEBT AND OTHER OBLIGATIONS. Grantor's obligations for the payment of the Borrower's Liabilities and the performance of the Other Obligations shall be referred to collectively herein as the "**Obligations**."

Section 2.4 PAYMENT OF DEBT. Grantor will pay the Borrower's Liabilities at the time and in the manner provided in the Loan Agreement, the Note and this Security Instrument.

Section 2.5 INCORPORATION BY REFERENCE. All the covenants, conditions and agreements contained in (a) the Loan Agreement, (b) the Note and (c) all and any of the other Loan Documents are hereby made a part of this Security Instrument to the same extent and with the same force as if fully set forth herein.

Article 3 - Property Covenants

Grantor covenants and agrees that:

Section 3.1 INSURANCE. Grantor shall obtain and maintain, or cause to be obtained and maintained, in full force and effect at all times insurance with respect to Grantor and the Collateral as required pursuant to the Loan Agreement.

Section 3.2 TAXES. Grantor shall pay all real estate taxes and assessments of every kind (regardless of whether the same are payable in installments) upon the Property in accordance with the Loan Agreement.

Section 3.3 OPERATING LEASE AND OTHER AGREEMENTS. Except as may be expressly permitted by the Loan Documents, Grantor shall not, without Beneficiary's written consent (which consent may be given or denied in Beneficiary's sole discretion), terminate or modify the Operating Leases, nor shall Grantor consent to any assignment or transfer of the Operating Leases, or sublease agreement, license agreement or other use and occupancy agreement for the operation, use or occupancy of the Facility or of all or any other portion of the Property.

Section 3.4 WARRANTY OF TITLE. Grantor has good and insurable title to the Property and has the right to mortgage, grant, bargain, sell, pledge, assign, warrant, transfer and convey the same. Grantor possesses an unencumbered fee simple absolute estate in the Real Property and the improvements thereon free and clear of all liens, encumbrances, charges and other claims, except for those listed on Exhibit B attached hereto (the "**Permitted Exceptions**"), such other liens as are permitted pursuant to the Loan Documents and the liens created by the Loan Documents ("**Permitted Liens**"). This Security Instrument, when properly recorded in the appropriate records, together with any UCC financing statements required to be filed in connection therewith, will create (a) a valid, perfected first priority lien on the Collateral, subject only to Permitted Exceptions and the liens created by the Loan Documents and (b) perfected security interests in and to, and perfected collateral assignments of, all personalty (including the Leases), all in accordance with the terms thereof, in each case subject only to any applicable Permitted Liens. Grantor shall forever warrant, defend and preserve the title and the validity and priority of the lien of this Security Instrument and shall forever warrant and defend the same to Beneficiary against the claims of all Persons whomsoever other than holders of Permitted Exceptions or Permitted Liens, as applicable.

Article 4 - Further Assurances

Section 4.1 COMPLIANCE WITH LOAN AGREEMENT. Grantor shall comply with all covenants set forth in the Loan Agreement relating to acts or other further assurances to be made on the part of Grantor in order to protect and perfect the lien or security interest hereof upon, and in the interest of Beneficiary in, the Collateral.

Section 4.2 AUTHORIZATION TO FILE FINANCING STATEMENTS; POWER OF ATTORNEY. Grantor hereby authorizes Beneficiary at any time and from time to time to file any initial financing statements, amendments thereto and continuation statements with or without the signature of Grantor as authorized by applicable law, as applicable to all or part of the personal property and as necessary or required in connection herewith. For purposes of such filings, Grantor agrees to furnish any information requested by Beneficiary promptly upon request by Beneficiary. Grantor also ratifies its authorization for Beneficiary to have filed any like initial financing statements, amendments thereto or continuation statements, if filed prior to the date of this Security Instrument. Grantor hereby irrevocably constitutes and appoints Beneficiary and any officer or agent of Beneficiary, with full power of substitution, as its true and lawful attorneys-in-fact with full irrevocable power and authority in the place and stead of Grantor or in Grantor's own name to execute in Grantor's name any such documents and otherwise to carry out the purposes of this Section 4.2, to the extent that Grantor's authorization above is not sufficient and Grantor fails or refuses to promptly execute such documents. To the extent permitted by law, Grantor hereby ratifies all acts said attorneys-in-fact have lawfully done in the past or shall lawfully do or cause

to be done in the future by virtue hereof. This power of attorney is a power coupled with an interest and shall be irrevocable.

Article 5 - Due On Sale/Encumbrance

Section 5.1 **NO SALE/ENCUMBRANCE**. Except in accordance with the express terms and conditions contained in the Loan Agreement or the other Loan Documents, Grantor shall not cause or permit a sale, conveyance, mortgage, grant, bargain, encumbrance, pledge, assignment, or grant of any options with respect to, or any other transfer or disposition (directly or indirectly, voluntarily or involuntarily, by operation of law or otherwise, and whether or not for consideration or of record) of a direct or indirect legal or beneficial interest in the Property or any part thereof, Grantor, any constituent owner or other holder of a direct or indirect equity interest in Grantor, any indemnitor or other guarantor of the Loan, any constituent owner or other holder of a direct or indirect equity interest in such indemnitor or guarantor, any manager or operating lessee of the Property that is affiliated with Grantor or any constituent owner or other holder of a direct or indirect equity interest in such manager or such operating lessee.

Article 6 - Prepayment, Release of Property

Section 6.1 **PREPAYMENT**. The Borrower's Liabilities may not be prepaid in whole or in part except in strict accordance with the express terms and conditions of the Note and the Loan Agreement.

Section 6.2 **RELEASE OF PROPERTY**. Grantor shall not be entitled to a release of any portion of the Property from the lien of this Security Instrument except in accordance with terms and conditions of the Loan Agreement.

Article 7 - Default

Section 7.1 **EVENT OF DEFAULT**. The term "**Event of Default**" as used in this Security Instrument shall have the meaning assigned to such term in the Loan Agreement.

Article 8 - Rights and Remedies Upon Default

Section 8.1 **REMEDIES**. Upon the occurrence and during the continuance of an Event of Default, Grantor agrees that Beneficiary may, or acting by or through Trustee may, take such action, without notice or demand, as it deems advisable to protect and enforce its rights against Grantor and in and to the Collateral, including, but not limited to, the following actions, each of which may be pursued concurrently or otherwise, at such time and in such order as Beneficiary or Trustee may determine, in their sole discretion, without impairing or otherwise affecting the other rights and remedies of Beneficiary or Trustee:

- (a) declare the entire unpaid Borrower's Liabilities, or any portion thereof, to be immediately due and payable;
- (b) institute proceedings, judicial or otherwise, for the complete foreclosure of this Security Instrument under any applicable provision of law, in which case the Collateral

or any interest therein may be sold for cash or by credit bid of Beneficiary in one or more parcels or in several interests or portions and in any order or manner;

(c) with or without entry, to the extent permitted and pursuant to the procedures provided by applicable law, institute proceedings for the partial foreclosure of this Security Instrument for the portion of the Borrower's Liabilities then due and payable, subject to the continuing lien and security interest of this Security Instrument for the balance of the Borrower's Liabilities not then due, unimpaired and without loss of priority;

(d) sell for cash or upon credit the Collateral or any part thereof and all estate, claim, demand, right, title and interest of Grantor therein and rights of redemption thereof, pursuant to power of sale or otherwise, at one or more sales, as an entirety or in parcels, at such time and place, upon such terms and after such notice thereof as may be required or permitted by law;

(e) institute an action, suit or proceeding in equity for the specific performance of any covenant, condition or agreement contained herein, in the Note, the Loan Agreement or in the other Loan Documents;

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

(g) seek and obtain the appointment of a receiver, trustee, liquidator or conservator of the Collateral, without notice and without regard for the adequacy of the security for the Borrower's Liabilities and without regard for the solvency of Grantor, any guarantor or indemnitor under the Loan or any other Person liable for the payment of the Borrower's Liabilities;

(h) the License granted to Grantor under Section 1.2 hereof shall automatically be revoked and Beneficiary may enter into or upon the Property, either personally or by its agents, nominees or attorneys and dispossess Grantor and its agents and servants therefrom, without liability for trespass, damages or otherwise and exclude Grantor and its agents or servants wholly therefrom, and take possession of all books, records and accounts relating thereto and Grantor agrees to surrender possession of the Property and of such books, records and accounts to Beneficiary upon demand, and thereupon Beneficiary may, to the extent permitted by applicable law, (i) use, operate, manage, control, insure, maintain, repair, restore and otherwise deal with all and every part of the Property; (ii) complete any construction on the Property in such manner and form as Beneficiary deems advisable; (iii) make alterations, additions, renewals, replacements and improvements to or on the Property; (iv) exercise all rights and powers of Grantor with respect to the Property, whether in the name of Grantor or otherwise, including, without limitation, the right to make, cancel, enforce or modify Leases, obtain and evict tenants, and demand, sue for, collect and receive all Rents of the Property and every part thereof; (v) require Grantor to pay monthly in advance to Beneficiary, or any receiver appointed to collect the Rents, the fair and reasonable rental value for the use and occupation of such part of the Property as may be occupied by Grantor; (vi) require Grantor to vacate and surrender possession of the Property to Beneficiary or to such receiver and, in default thereof, Grantor may be evicted

by summary proceedings or otherwise; and (vii) apply the receipts from the Property to the payment of the Borrower's Liabilities, in such order, priority and proportions as Beneficiary shall deem appropriate in its sole discretion after deducting therefrom all out-of-pocket expenses (including reasonable attorneys' fees) incurred in connection with the aforesaid operations and all amounts necessary to pay the taxes, other charges, insurance and other expenses in connection with the Property, as well as just and reasonable compensation for the services of Beneficiary, its counsel, agents and employees;

(i) use and apply Reserves or any other monies deposited by Grantor with Beneficiary, regardless of the purpose for which deposited, or amounts received pursuant to Section 8.9 of the Loan Agreement to, in Beneficiary's sole and absolute discretion, cure such Event of Default or apply the same to and on account of Borrower's Liabilities;

(j) surrender the insurance policies maintained pursuant to the Loan Agreement, collect the unearned insurance premiums for such insurance policies and apply such sums as a credit on the Borrower's Liabilities in such priority and proportion as Beneficiary in its discretion shall deem proper, and in connection therewith, Grantor hereby appoints Beneficiary as agent and attorney-in-fact (which is coupled with an interest and is therefore irrevocable) for Grantor to collect such insurance premiums;

(k) apply the undisbursed balance of any deposit made by Grantor with Beneficiary in connection with the restoration of the Property after a casualty thereto or condemnation thereof, together with interest thereon, to the payment of the Borrower's Liabilities in such order, priority and proportions as Beneficiary shall deem to be appropriate in its discretion; and/or

(l) pursue such other remedies as Beneficiary may have under applicable law.

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

Section 8.2 APPLICATION OF PROCEEDS. Upon the occurrence and during the continuance of any Event of Default, the purchase money, proceeds and avails of any disposition of the Property (or any part thereof) and any other sums collected by Beneficiary pursuant to the Note, this Security Instrument or the other Loan Documents may, in each case, be applied by Beneficiary to the payment of the Borrower's Liabilities in such order, priority and proportions as provided by the Loan Agreement, the Note or the other Loan Documents.

Section 8.3 RIGHT TO CURE DEFAULTS. Upon the occurrence of any Event of Default, Beneficiary may, but without any obligation to do so and without notice to or demand on Grantor and without releasing Grantor from any obligation hereunder, make any payment or do any act required of Grantor hereunder in such manner and to such extent as Beneficiary may deem necessary to protect the security hereof. Beneficiary or Trustee is authorized to enter upon the Property for such purposes, or appear in, defend, or bring any action or proceeding to protect its interest in the Property or to foreclose this Security Instrument or collect the Borrower's Liabilities, and the actual cost and expense thereof (including reasonable attorneys' fees to the extent

permitted by law), with interest as provided in this Section 8.3, shall constitute a portion of the Borrower's Liabilities and shall be due and payable to Beneficiary upon demand. All such costs and expenses incurred by Beneficiary in remedying such Event of Default or such failed payment or act or in appearing in, defending, or bringing any such action or proceeding shall bear interest at any default rate specified in the Loan Agreement or the Note, if any (the "**Default Rate**"), for the period after notice from Beneficiary that such cost or expense was incurred to the date of payment to Beneficiary. All such costs and expenses incurred by Beneficiary or Trustee together with interest thereon calculated at the Default Rate shall be deemed to constitute a portion of the Borrower's Liabilities and be secured by this Security Instrument and the other Loan Documents and shall be immediately due and payable upon demand by Beneficiary therefor.

Section 8.4 ACTIONS AND PROCEEDINGS. Beneficiary or Trustee has the right to appear in and defend any action or proceeding brought with respect to the Collateral and to bring any action or proceeding, in the name and on behalf of Grantor, which Beneficiary, in its discretion, decides should be brought to protect its interest in the Collateral.

Section 8.5 RECOVERY OF SUMS REQUIRED TO BE PAID. Beneficiary shall have the right from time to time to take action to recover any sum or sums which constitute a part of the Borrower's Liabilities as the same become due, without regard to whether or not the balance of the Borrower's Liabilities shall be due, and without prejudice to the right of Beneficiary thereafter to bring an action of foreclosure, or any other action, for a default or defaults by Grantor existing at the time such earlier action was commenced.

Section 8.6 OTHER RIGHTS, ETC.

(a) The failure of Beneficiary or Trustee to insist upon strict performance of any term hereof shall not be deemed to be a waiver of any term of this Security Instrument. Grantor shall not be relieved of Grantor's obligations hereunder by reason of (i) the failure of Beneficiary or Trustee to comply with any request of Grantor or any guarantor or indemnitor with respect to the Loan, to take any action to foreclose this Security Instrument or otherwise enforce any of the provisions hereof or of the Note or the other Loan Documents, (ii) the release, regardless of consideration, of the whole or any part of the Collateral, or of any Person liable for the Borrower's Liabilities or any portion thereof, or (iii) any agreement or stipulation by Beneficiary extending the time of payment or otherwise modifying or supplementing the terms of the Note, this Security Instrument or the other Loan Documents (except to the extent expressly provided by such written modification or supplement, which in each instance shall be narrowly construed).

(b) Except as otherwise provided in Section 8.16 of the Loan Agreement, it is agreed that the risk of loss or damage to the Collateral is on Grantor, and Beneficiary shall have no liability whatsoever for decline in the value of the Collateral, for failure to maintain the insurance policies required to be maintained pursuant to the Loan Agreement, or for failure to determine whether insurance in force is adequate as to the amount of risks insured. Possession by Beneficiary shall not be deemed an election of judicial relief if any such possession is requested or obtained with respect to any Property or collateral not in Beneficiary's possession.

(c) Beneficiary may resort for the payment of the Borrower's Liabilities to any other security held by Beneficiary in such order and manner as Beneficiary, in its discretion, may elect. Beneficiary or Trustee may take action to recover the Borrower's Liabilities, or any portion thereof, or to enforce any covenant hereof without prejudice to the right of Beneficiary or Trustee thereafter to foreclose this Security Instrument. The rights of Beneficiary or Trustee under this Security Instrument shall be separate, distinct and cumulative and none shall be given effect to the exclusion of the others. No act of Beneficiary or Trustee shall be construed as an election to proceed under any one provision herein to the exclusion of any other provision. Neither Beneficiary nor Trustee shall be limited exclusively to the rights and remedies herein stated but shall be entitled to every right and remedy now or hereafter afforded at law or in equity.

Section 8.7 RIGHT TO RELEASE ANY PORTION OF THE COLLATERAL. Beneficiary may release any portion of the Collateral for such consideration as Beneficiary may require without, as to the remainder of the Collateral, in any way impairing or affecting the lien or priority of this Security Instrument, or improving the position of any subordinate lienholder with respect thereto, except to the extent that the obligations hereunder shall have been reduced by the actual monetary consideration, if any, received by Beneficiary for such release, and may accept by assignment, pledge or otherwise any other property in place thereof as Beneficiary may require without being accountable for so doing to any other lienholder. This Security Instrument shall continue as a lien and security interest in the remaining portion of the Collateral.

Section 8.8 RIGHT OF ENTRY. Beneficiary and its agents shall have the right to enter and inspect the Property in accordance with Section 8.3 of the Loan Agreement.

Section 8.9 BANKRUPTCY.

(a) Upon the occurrence and during the continuance of an Event of Default, Beneficiary shall have the right to proceed in its own name or in the name of Grantor in respect of any claim, suit, action or proceeding relating to the rejection of any Lease, including, without limitation, the right to file and prosecute, to the exclusion of Grantor, any proofs of claim, complaints, motions, applications, notices and other documents, in any case in respect of the lessee under such Lease under Title 11 of the United States Code entitled "Bankruptcy", as amended from time to time, and any successor statute or statutes and all rules and regulations from time to time promulgated thereunder, and any comparable foreign laws relating to bankruptcy, insolvency or creditors' rights (the "Bankruptcy Code").

(b) If there shall be filed by or against Grantor a petition under the Bankruptcy Code and Grantor, as lessor under any Lease, shall determine to reject such Lease pursuant to Section 365(a) of the Bankruptcy Code, then Grantor shall give Beneficiary not less than ten (10) days' prior notice of the date on which Grantor shall apply to the bankruptcy court for authority to reject the Lease. Beneficiary shall have the right, but not the obligation, to serve upon Grantor within such ten-day period a notice stating that (i) Beneficiary demands that Grantor assume and assign the Lease to Beneficiary pursuant to Section 365 of the Bankruptcy Code and (ii) Beneficiary covenants to cure or provide adequate assurance of future performance under the Lease. If Beneficiary serves upon Grantor the notice

described in the preceding sentence, Grantor shall not seek to reject the Lease and shall comply with the demand provided for in clause (i) of the preceding sentence within thirty (30) days after the notice shall have been given, subject to the performance by Beneficiary of the covenant provided for in clause (ii) of the preceding sentence.

Section 8.10 SUBROGATION. If any or all of the proceeds of the Note have been used to extinguish, extend or renew any indebtedness heretofore existing against the Property, then, to the extent of the funds so used, Beneficiary shall be subrogated to all of the rights, claims, liens, titles, and interests existing against the Collateral heretofore held by, or in favor of, the holder of such indebtedness and such former rights, claims, liens, titles, and interests, if any, are not waived but rather are continued in full force and effect in favor of Beneficiary and are merged with the lien and security interest created herein as cumulative security for the repayment of the Borrower's Liabilities, the performance and discharge of the Other Obligations.

Article 9 - Environmental Hazards

Section 9.1 ENVIRONMENTAL COVENANTS. Grantor has provided representations, warranties and covenants regarding environmental matters set forth in the Environmental Indemnity Agreement and Grantor shall comply with the aforesaid covenants regarding environmental matters.

Article 10 - Waivers

Section 10.1 MARSHALLING AND OTHER MATTERS. Grantor hereby waives, to the extent permitted by law, the benefit of all applicable law now or hereafter in force regarding appraisal, valuation, stay, extension, reinstatement and redemption and all rights of marshalling in the event of any sale hereunder of the Collateral or any part thereof or any interest therein. Further, Grantor hereby expressly waives any and all rights of redemption from sale under any order or decree of foreclosure of this Security Instrument on behalf of Grantor, and on behalf of each and every Person acquiring any interest in or title to the Property subsequent to the date of this Security Instrument and on behalf of all Persons to the extent permitted by applicable law.

Section 10.2 WAIVER OF NOTICE. Grantor shall not be entitled to any notices of any nature whatsoever from Beneficiary or Trustee except with respect to matters for which this Security Instrument, the Loan Agreement or other Loan Documents specifically and expressly provides for the giving of notice by Beneficiary or Trustee to Grantor and except with respect to matters for which Grantor is not permitted by applicable law to waive its right to receive notice, and Grantor hereby expressly waives the right to receive any notice from Beneficiary or Trustee with respect to any matter for which this Security Instrument does not specifically and expressly provide for the giving of notice by Beneficiary or Trustee to Grantor.

Section 10.3 WAIVER OF STATUTE OF LIMITATIONS. To the fullest extent permitted by applicable law, Grantor hereby expressly waives and releases its right to plead any statute of limitations as a defense to the payment of the Borrower's Liabilities or performance of its Other Obligations.

Section 10.4 WAIVER OF COUNTERCLAIM. To the extent permitted by applicable law, Grantor hereby waives the right to assert a counterclaim, other than a mandatory or compulsory

counterclaim, in any action or proceeding brought against it by Beneficiary arising out of or in any way connected with this Security Instrument, the Loan Agreement, the Note, any of the other Loan Documents, or the Obligations.

Section 10.5 WAIVER OF TRIAL BY JURY. GRANTOR AND BENEFICIARY, BY ACCEPTANCE HEREOF, HAVING BEEN REPRESENTED BY COUNSEL, EACH KNOWINGLY AND VOLUNTARILY WAIVE ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS (a) UNDER THIS SECURITY INSTRUMENT OR ANY RELATED AGREEMENT OR UNDER ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION WITH THIS SECURITY INSTRUMENT OR (b) ARISING FROM ANY BANKING RELATIONSHIP EXISTING IN CONNECTION WITH THIS SECURITY INSTRUMENT, AND AGREE THAT ANY SUCH ACTION OR PROCEEDING WILL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY. GRANTOR AGREES THAT IT WILL NOT ASSERT ANY CLAIM AGAINST BENEFICIARY OR ANY OTHER PERSON INDEMNIFIED UNDER THIS SECURITY INSTRUMENT ON ANY THEORY OF LIABILITY FOR SPECIAL, INDIRECT, CONSEQUENTIAL, INCIDENTAL OR PUNITIVE DAMAGES.

Section 10.6 WAIVER OF FORECLOSURE DEFENSE. Grantor hereby waives any defense Grantor might assert or have by reason of Beneficiary's failure to make any tenant or lessee of the Property a party defendant in any foreclosure proceeding or action instituted by Beneficiary.

Article 11 - Intentionally Omitted

Article 12 - Notices

Section 12.1 NOTICES. All notices or other written communications hereunder shall be delivered in accordance with the applicable terms and conditions of the Loan Agreement.

Notices to the Trustee shall be sent as follows:

Guardian Northwest Title & Escrow Company
1301 Riverside Drive, Suite B
Mount Vernon, WA 98273

Article 13 - Applicable Law

Section 13.1 GOVERNING LAW. The governing law and related provisions contained in Section 16.11 of the Loan Agreement are hereby incorporated by reference as if fully set forth herein, **EXCEPT THAT AT ALL TIMES THE PROVISIONS FOR THE CREATION, PERFECTION AND ENFORCEMENT OF THE LIENS AND SECURITY INTERESTS CREATED PURSUANT HERETO AND PURSUANT TO THE OTHER LOAN DOCUMENTS WITH RESPECT TO THE PROPERTY SHALL BE GOVERNED BY AND CONSTRUED ACCORDING TO THE LAW OF THE STATE IN WHICH THE PROPERTY IS LOCATED.** Beneficiary is authorized and empowered to do all things provided

to be done by a lender under a deed to secure debt under the laws of the State of Washington, subject in all respects to the terms and conditions of the Loan Documents.

Section 13.2 PROVISIONS SUBJECT TO APPLICABLE LAW. All rights, powers and remedies provided in this Security Instrument may be exercised only to the extent that the exercise thereof does not violate any applicable provisions of law and are intended to be limited to the extent necessary so that they will not render this Security Instrument invalid, unenforceable or not entitled to be recorded, registered or filed under the provisions of any applicable law.

Article 14 - Miscellaneous Provisions

Section 14.1 GENDER AND NUMBER. Any word herein which is expressed in the masculine, feminine, or neuter gender shall be deemed to include the masculine, feminine and neuter genders. Any word herein which is expressed in the singular or plural number shall be deemed, whenever appropriate in the context, to include the singular and the plural.

Section 14.2 NO VERBAL CHANGE. This Security Instrument, and any provisions hereof, may not be modified, amended, waived, extended, changed, discharged or terminated verbally or by any act or failure to act on the part of Grantor, Beneficiary or Trustee, but only by an agreement in writing signed by the party against whom enforcement of any modification, amendment, waiver, extension, change, discharge or termination is sought.

Section 14.3 SUCCESSORS AND ASSIGNS. This Security Instrument shall be binding upon and inure to the benefit of Grantor and Beneficiary and their respective successors and assigns forever.

Section 14.4 PARTIAL INVALIDITY. If any provision of this Security Instrument, or any paragraph, sentence, clause, phrase or word, or the application thereof, in any circumstances, is adjudicated by a court of competent jurisdiction to be invalid, the validity of the remainder of this Security Instrument shall be construed as if such invalid part were never included herein.

Section 14.5 CAPTIONS. The captions and headings of various Articles and Sections of this Security Instrument and exhibits pertaining hereto are for convenience only and are not to be considered as defining or limiting in any way the scope or intent of the provisions hereof.

Section 14.6 PRIOR AGREEMENTS. This Security Instrument and the other Loan Documents, and any other documents or instruments executed pursuant thereto or contemplated thereby, shall represent the entire, integrated agreement between the parties hereto with respect to the Loan and shall supersede all prior negotiations, representations or agreements pertaining thereto, either oral or written.

Section 14.7 LIMITATION ON BENEFICIARY'S RESPONSIBILITY. No provision of this Security Instrument shall operate to place any obligation or liability for the control, care, management or repair of the Property upon Beneficiary, nor shall it operate to make Beneficiary responsible or liable for any waste committed on the Property by the tenants or any other Person, or for any dangerous or defective condition of the Property, or for any negligence in the management, upkeep, repair or control of the Property resulting in loss or injury or death to any tenant, licensee, employee or stranger (unless such obligation or liability results from the

Beneficiary's gross negligence or willful misconduct as determined in a final judgment by a court of competent jurisdiction or arises as a result of an act or omission of Beneficiary after the date on which Beneficiary has taken actual possession of the Property pursuant to an exercise of its rights and remedies hereunder). Nothing herein contained shall be construed as constituting Beneficiary a "mortgagee in possession."

Section 14.8 JOINT AND SEVERAL LIABILITY. If Grantor consists of more than one Person, the obligations and liabilities of each such Person hereunder shall be joint and several.

Section 14.9 SOLE DISCRETION OF BENEFICIARY. Whenever pursuant to this Security Instrument, Beneficiary exercises any right given to it to approve or disapprove, or any arrangement or term is to be satisfactory to Beneficiary, the decision of Beneficiary to approve or disapprove or to decide whether arrangements or terms are satisfactory or not satisfactory shall (except as is otherwise specifically herein provided) be in the sole discretion of Beneficiary and shall be final and conclusive.

Section 14.10 INCONSISTENCIES. In the event of any inconsistency between this Security Instrument and the Loan Agreement, the terms hereof shall be controlling as necessary to create, preserve and/or maintain a valid mortgage lien and security interest upon the Collateral, otherwise the provisions of the Loan Agreement shall be controlling.

Section 14.11 CROSS-COLLATERALIZATION. Grantor acknowledges that the Borrower's Liabilities are secured by this Security Instrument together with the Other Security Instruments (as defined below), together with the other Loan Documents securing or evidencing the Borrower's Liabilities and encumbering the Other Property (as defined below), all as more specifically set forth in the Loan Agreement. Upon the occurrence and during the continuance of an Event of Default, Beneficiary shall have the right to institute a proceeding or proceedings for the total or partial foreclosure of this Security Instrument and the Other Security Instruments whether by court action, power of sale or otherwise, under any applicable provision of law, for all of the Borrower's Liabilities or the portion of the Borrower's Liabilities, and the lien and the security interest created by the Other Security Instruments shall continue in full force and effect without loss of priority as a lien and security interest securing the payment of that portion of the Borrower's Liabilities then due and payable but still outstanding. Grantor acknowledges and agrees that the Property and the Other Property are located in one or more cities and/or counties, and therefore Beneficiary shall be permitted to enforce payment of the Borrower's Liabilities and the performance of any term, covenant or condition of the Note, this Security Instrument, the Loan Documents or the Other Security Instruments and exercise any and all rights and remedies under the Note, this Security Instrument, the other Loan Documents or the Other Security Instruments, or as provided by law or at equity, by one or more proceedings, whether contemporaneous, consecutive or both, to be determined by Beneficiary, in its sole discretion, in any one or more of the cities or counties in which the Property or the Other Property is located. Neither the acceptance of this Security Instrument, the other Loan Documents or the Other Security Instrument nor the enforcement thereof in any one city or county, whether by court action, foreclosure, power of sale or otherwise, shall prejudice or in any way limit or preclude enforcement by court action, foreclosure, power of sale or otherwise, of the Note, this Security Instrument, the other Loan Documents, or the Other Security Instruments through one or more additional proceedings in that city or county or in any other city or county. Any and all sums received by Beneficiary under the Note, this Security

Instrument, and the other Loan Documents shall be applied to the Borrower's Liabilities in such order and priority as provided by the Loan Agreement, the Note or the other Loan Documents without regard to any allocated loan amount for the Property or the Other Property or the appraised value of the Property or the Other Property. As used herein, the term "**Other Security Instruments**" shall mean that certain first priority deed of trust executed and delivered by Bozeman Borrower and that certain first priority deed of trust executed and delivered by Everett Borrower, each dated as of the date hereof, in connection with the Loan as security for Borrower's Liabilities. As used herein, the term "**Other Property**" shall mean the Bozeman Land and the Everett Land.

Article 15 - Deed of Trust Provisions

Section 15.1 **CONCERNING THE TRUSTEE.** Trustee shall be under no duty to take any action hereunder except as expressly required hereunder or by law, or to perform any act which would involve Trustee in any expense or liability or to institute or defend any suit in respect hereof, unless properly indemnified to Trustee's reasonable satisfaction. Trustee, by acceptance of this Security Instrument, covenants to perform and fulfill the trusts herein created, being liable, however, only for gross negligence or willful misconduct (as determined in a final judgment by a court of competent jurisdiction), and hereby waives any statutory fee and agrees to accept reasonable compensation, in lieu thereof, for any services rendered by Trustee in accordance with the terms hereof. Trustee may resign at any time upon giving thirty (30) days' notice to Grantor and to Beneficiary. Beneficiary may remove Trustee at any time or from time to time and select a successor trustee. In the event of the death, removal, resignation, refusal to act, or inability to act of Trustee, or in its sole discretion for any reason whatsoever, Beneficiary may, without notice and without specifying any reason therefor and without applying to any court, select and appoint a successor trustee, by an instrument recorded wherever this Security Instrument is recorded and all powers, rights, duties and authority of Trustee, as aforesaid, shall thereupon become vested in such successor. Such substitute trustee shall not be required to give bond for the faithful performance of the duties of Trustee hereunder unless required by Beneficiary. The procedure provided for in this paragraph for substitution of Trustee shall be in addition to and not in exclusion of any other provisions for substitution, by law or otherwise.

Section 15.2 **TRUSTEE'S FEES.** Grantor shall pay all out-of-pocket costs, fees and expenses (including reasonable attorneys' fees) incurred by Trustee and Trustee's agents and counsel in connection with the performance by Trustee of Trustee's duties hereunder and all such costs, fees and expenses shall be secured by this Security Instrument. Notwithstanding anything to the contrary contained herein or in any other Loan Documents, Trustee hereby acknowledges and agrees that no fees or other compensation shall be payable to Trustee hereunder or otherwise in connection with the Loan or Loan Documents except in connection with (a) a sale of the Property in connection with an exercise of remedies hereunder and/or under the other Loan Documents or (b) a release hereof in accordance with the applicable terms and conditions hereof.

Section 15.3 **CERTAIN RIGHTS.** With the approval of Beneficiary, Trustee shall have the right to take any and all of the following actions: (i) to select, employ, and advise with counsel (who may be, but need not be, counsel for Beneficiary) upon any matters arising hereunder, including the preparation, execution, and interpretation of the Note, this Security Instrument or the Other Loan Documents, and shall be fully protected in relying as to legal matters on the advice of

counsel, (ii) to execute any of the trusts and powers hereof and to perform any duty hereunder either directly or through his/her agents or attorneys, (iii) to select and employ, in and about the execution of his/her duties hereunder, suitable accountants, engineers and other experts, agents and attorneys-in-fact, either corporate or individual, not regularly in the employ of Trustee, and Trustee shall not be answerable for any act, default, negligence, or misconduct of any such accountant, engineer or other expert, agent or attorney-in-fact, if selected with reasonable care, or for any error of judgment or act done by Trustee in good faith, or be otherwise responsible or accountable under any circumstances whatsoever, except to the extent of Trustee's gross negligence or willful misconduct (as determined in a final judgment by a court of competent jurisdiction), and (iv) any and all other lawful action as Beneficiary may instruct Trustee to take to protect or enforce Beneficiary's rights hereunder. Trustee shall not be personally liable in case of entry by Trustee, or anyone entering by virtue of the powers herein granted to Trustee, upon the Property for debts contracted for or liability or damages incurred in the management or operation of the Property (other than to the extent resulting directly from Trustee's or such person's gross negligence or willful misconduct, as determined in a final judgment by a court of competent jurisdiction). Trustee shall have the right to rely on any instrument, document, or signature authorizing or supporting an action taken or proposed to be taken by Trustee hereunder, believed by Trustee in good faith to be genuine. Subject to Section 15.2 Trustee shall be entitled to reimbursement for actual expenses incurred by Trustee in the performance of Trustee's duties hereunder (including reasonable attorneys' fees) and to reasonable compensation for such of Trustee's services hereunder as shall be rendered.

Section 15.4 RETENTION OF MONEY. All moneys received by Trustee shall, until used or applied as herein provided, be held in trust for the purposes for which they were received, but need not be segregated in any manner from any other moneys (except to the extent required by applicable law) and Trustee shall be under no liability for interest on any moneys received by Trustee hereunder.

Section 15.5 PERFECTION OF APPOINTMENT. Should any deed, conveyance, or instrument of any nature be required from Grantor by any Trustee or substitute trustee to more fully and certainly vest in and confirm to Trustee or substitute trustee such estates rights, powers, and duties, then, upon reasonable request by Trustee or substitute trustee, any and all such deeds, conveyances and instruments shall be made, executed, acknowledged, and delivered and shall be caused to be recorded and/or filed by Grantor.

Section 15.6 SUCCESSION INSTRUMENTS. Any substitute trustee appointed pursuant to any of the provisions hereof shall, without any further act, deed, or conveyance, become vested with all the estates, properties, rights, powers, and trusts of its or his/her predecessor in the rights hereunder with like effect as if originally named as Trustee herein; but nevertheless, upon the written request of Beneficiary or of the substitute trustee, Trustee ceasing to act shall execute and deliver any instrument transferring to such substitute trustee, upon the trusts herein expressed, all the estates, properties, rights, powers, and trusts of Trustee so ceasing to act, and shall duly assign, transfer and deliver any of the property and moneys held by such Trustee to the substitute trustee so appointed in Trustee's place.

Article 16 - State-Specific Provisions

Section 16.1 PRINCIPLES OF CONSTRUCTION. In the event of any inconsistencies between the terms and conditions of this Article 16 and the terms and conditions of this Security Instrument, the terms and conditions of this Article 16 shall control and be binding.

Section 16.2 NO AGRICULTURAL USES. The Real Property is not used principally for agricultural purposes.

Section 16.3 RIGHT TO FORECLOSE UNDER WASHINGTON LAW. Upon an Event of Default, Beneficiary may immediately proceed to foreclose the lien of this Security Instrument against all or part of the Collateral, or to sell the Collateral, by judicial or nonjudicial foreclosure in accordance with the laws of Washington and may pursue any other remedy available to commercial mortgage lenders under the laws of Washington. Specifically, upon the occurrence of an Event of Default and written request of Beneficiary, Trustee shall sell the Collateral, or any part thereof, in accordance with the Deed of Trust Act of the State of Washington (RCW Chapter 61.24 as existing now, or hereafter amended) and the UCC of the State of Washington where applicable, without regard to any right of marshaling of assets, at public auction to the highest bidder for cash at such time and at such place as are statutorily prescribed. Grantor acknowledges that there is no right to an extension of the Trustee's sale on "equitable" or other grounds, and that Beneficiary's remedies under this Security Instrument shall not be affected or impaired by the exercise of any right of setoff or to collect and apply rents, profits, insurance proceeds or condemnation awards. Any person except Trustee may bid at a Trustee's sale. Subject to applicable law, Trustee shall apply the proceeds of the sale in the following order: (a) to the actual expense of sale, including a reasonable Trustee's fee and attorneys' fees; (b) to the obligation secured by this Security Instrument; (c) the surplus, if any, shall be distributed in accordance with said Deed of Trust Act. Trustee shall deliver to the purchaser at the sale its deed, without warranty, which shall convey to the purchaser the interest in the Collateral which Grantor had or had the power to convey at the time of Grantor's execution of this Security Instrument, and such as Grantor may have acquired thereafter. Trustee's deed shall recite the facts showing that the sale was conducted in compliance with all the requirements of law and of this Security Instrument, which recital shall be prima facie evidence of such compliance and conclusive evidence thereof in favor of bona fide purchasers and encumbrancers for value. Trustee is not obligated to notify any party hereto of pending sale under any other deed of trust or of any action or proceeding in which Grantor, Trustee, or Beneficiary shall be a party, unless such action or proceeding is brought by Trustee.

Section 16.4 RIGHT TO A DEFICIENCY. After foreclosure of this Security Instrument in a judicial action, Beneficiary may obtain a judgment against Grantor for any deficiency between the sale price, less expenses as set forth above, and the total amount of the Borrower's Liabilities. After the date of any trustee's sale at which Beneficiary or any affiliate of the Lender is the successful bidder, or after the date of Beneficiary's or such affiliate's acceptance of a deed in lieu thereof (either such date, the "Sale Date"), Grantor shall, to the extent permitted under RCW 61.24.100 or any successor statute or amendment, remain personally liable to Beneficiary for (a) any decrease in the fair value of the Real Property caused by waste to the Real Property committed by Grantor after the this Security Instrument is granted, and (b) the wrongful retention of any rents, insurance proceeds, or condemnation awards by Grantor that are otherwise owned to Beneficiary.

Section 16.5 ENVIRONMENTAL INDEMNITY. To the extent Grantor has agreed in any Loan Document to indemnify Beneficiary against liabilities or loss arising from the presence of Hazardous Materials at the Real Property, such agreement to indemnify shall not be deemed to be a "Loan Document" or otherwise be secured by this Security Instrument and shall survive any foreclosure of this Security Instrument.

Section 16.6 STATUTORY 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 16.7 ADDITIONAL FIXTURE FILING LANGUAGE. This instrument constitutes a financing statement filed as a fixture filing and is being recorded in the Official Records of the County Recorder of the County in which the Real Property is located with respect to any and all fixtures included in the term Collateral as used herein and with respect to any goods or other personal property that may now be or hereafter becomes fixtures.

[NO FURTHER TEXT ON THIS PAGE]

IN WITNESS WHEREOF, this Security Instrument has been executed by the undersigned as of the day and year first above written.

GRANTOR:

RADIANT PROPERTIES LA CONNER, LLC,
a Washington limited liability company

By:

James T. Guffee
James T. Guffee, Manager

STATE OF OREGON

COUNTY OF WASHINGTON

Before me, the undersigned, a Notary Public, in and for said County and State, this 12th day of October, 2020, personally appeared James T. Guffee, Manager of Radiant Properties La Conner, LLC, a Washington limited liability company, and acknowledged the execution of the foregoing instrument.

Janet Williams
Notary Public

Print Name: Janet Williams

My commission expires: July 18, 2021



EXHIBIT A**LEGAL DESCRIPTION**

The Land referred to herein below is situated in the County of Skagit, State of Washington, and is described as follows:

PARCEL "A":

LOTS 1, 4 AND 5, BLOCK 4, "CALHOUN ADDITION TO THE TOWN OF LA CONNER", AS PER PLAT RECORDED IN VOLUME 1 OF PLATS, PAGE 14, RECORDS OF SKAGIT COUNTY, WASHINGTON.

PARCEL "B":

THE NORTH 25 FEET OF LOT 2 AND THE NORTH 25 FEET OF THE WEST 1/2, OF LOT 3, BLOCK 4, "CALHOUN ADDITION TO THE TOWN OF LA CONNER", AS PER PLAT RECORDED IN VOLUME 1 OF PLATS, PAGE 14, RECORDS OF SKAGIT COUNTY, WASHINGTON.

PARCEL "C":

LOT 2 AND THE WEST 1/2, OF LOT 3, BLOCK 4, LESS THE NORTH 25 FEET OF LOT 2 AND LESS THE NORTH 25 FEET OF THE WEST 1/2, OF LOT 3, "CALHOUN ADDITION TO THE TOWN OF LA CONNER", AS PER PLAT RECORDED IN VOLUME 1 OF PLATS, PAGE 14, RECORDS OF SKAGIT COUNTY, WASHINGTON.

PARCEL "D":

THE EAST 1/2 OF LOT 3 AND ALL OF LOT 6, BLOCK 4, "CALHOUN ADDITION TO THE TOWN OF LA CONNER", AS PER PLAT RECORDED IN VOLUME 1 OF PLATS, PAGE 14, RECORDS OF SKAGIT COUNTY, WASHINGTON.

PARCEL "E":

LOTS 1, 2, 3 AND 4, BLOCK 5, "CALHOUN ADDITION TO THE TOWN OF LA CONNER", AS PER PLAT RECORDED IN VOLUME 1 OF PLATS, PAGE 14, RECORDS OF SKAGIT COUNTY, WASHINGTON.

Exhibit A-1

EXHIBIT B**PERMITTED EXCEPTIONS**

1. (A) Unpatented mining claims; (B) Reservations or exceptions in patents or in Acts authorizing the issuance thereof; (C) Water rights, claims or title to water; whether or not the matters excepted under (A), (B) or (C) are shown by the Public Records; (D) Indian Tribal Codes or Regulations, Indian Treaty or Aboriginal Rights, including easements or equitable servitudes.
2. Easement, affecting a portion of subject property for the purpose of install, maintain, repair, replace and remove coaxial cable, related equipment and facilities including terms and provisions thereof granted to Northland Cable Properties Eight Limited Partnership recorded 8/4/1998 as Auditor's File No. 9808040014.
3. Real Estate Taxes and municipal charges for Fiscal year 2021, and subsequent years, a lien not yet due and payable.

Exhibit B-1

142904.00411/123914470v.7

Congressional Bank/Radiant Portfolio/Deed of Trust (La Conner)