

When recorded return to:
Riverbend Funding, LLC
3550 Round Barn Boulevard, Suite 104
Santa Rosa, California 95403

DEED OF TRUST
(For use in the State of Washington only)

203038-DT

THIS DEED OF TRUST, made this October 20, 2021 between Alpha Real Estate Investments LLC, a(n) Washington limited liability company, as GRANTOR(S), whose address is 4628 McClure Rd, Kelowna, BC, Canada, V1W 1L6, Attention: Curtis Mitchell

and

Land Title and Escrow Company, as TRUSTEE, whose address is 111 East George Hopper Rd, Burlington, WA 98233

and

Riverbend Funding, LLC, a Delaware limited liability company, as BENEFICIARY, whose address is 3550 Round Barn Boulevard, Suite 104, Santa Rosa, California 95403

WITNESSETH: Grantor(s) hereby bargain(s), sell(s), and convey(s) to Trustee in trust, with power of sale, the following described real property in Skagit County, Washington:

Lots 5, 6, 7 and 8, EXCEPT the South 15 feet of Lot 8, Block 3, "SEATTLE SYNDICATE'S FIRST ADDITION TO THE CITY OF ANACORTES, WASH.," as per plat recorded in Volume 1 of Plats, page 25, records of Skagit County, Washington.
Situate in the City of Anacortes, County of Skagit, State of Washington.

Abbreviated Legal: (Required if full legal not inserted above.)

Tax Parcel Number(s): 3813-003-007-0040/P58786

NOTICE: THE PROMISSORY NOTE CONTAINS PROVISIONS ALLOWING FOR CHANGES IN THE INTEREST RATE. THE UNPAID PRINCIPAL BALANCE OF THE LOAN, EXCLUSIVE OF ANY ADVANCES MADE BY LENDER TO PROTECT ITS SECURITY, MAY REACH THE SUM OF \$385,050.00. THIS DOCUMENT IS ALSO A FIXTURE FILING IN ACCORDANCE WITH SECTION 9502 OF THE WASHINGTON UNIFORM COMMERCIAL CODE (RCW 62A.9A-502).

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

THIS DEED OF TRUST, SECURITY AGREEMENT, ASSIGNMENT OF LEASES AND RENTS AND FIXTURE FILING (this "**Deed of Trust**") is made as of October 20, 2021, by Alpha Real Estate Investments LLC, a(n) Washington limited liability company ("**Borrower**"), as trustor, whose address is 4628 McClure Rd, Kelowna, BC, Canada, V1W 1L6, Attention: Curtis Mitchell, to Land Title and Escrow Company as trustee, whose address is 111 East George Hopper Rd, Burlington, WA 98233 ("**Trustee**"), for the benefit of Riverbend Funding, LLC, a Delaware limited liability company, ("**Lender**"), as beneficiary, whose address is 3550 Round Barn Boulevard, Suite 104, Santa Rosa, California 95403.

RECITALS

A. Lender has agreed to make a loan (the "**Loan**") to Borrower. The Loan is evidenced by (i) that certain Promissory Note Secured by Deeds of Trust, dated October 20, 2021 in the original principal amount of \$385,050.00 (which note, together with all notes issued in substitution or exchange therefor and all amendments thereto, is hereinafter referred to as the "**Note**"), and (ii) that certain Loan Agreement, dated October 20, 2021 between Borrower and Lender (the "**Loan Agreement**").

B. Lender wishes to secure (i) the prompt payment of the Note, together with all interest, premiums and other amounts, if any, due in accordance with the terms of the Note, as well as the prompt payment of any additional indebtedness accruing to Lender on account of any future payments, advances or expenditures made by Lender pursuant to the Note, the Loan Agreement, this Deed of Trust or any of the other "**Loan Documents**" (as hereinafter defined); (ii) the performance of each and every covenant, condition, and agreement contained in the Note, the Loan Agreement, this Deed of Trust, and any other agreements, documents or instruments now or hereafter evidencing or securing the Loan or otherwise executed in connection with the Loan or the Obligations or any and all advances made under the Loan (such documents together with any amendments, modifications, renewals, extensions, supplements or replacements thereof are collectively referred to as the "**Loan Documents**"); (iii) the payment of any and all other debts, claims, obligations, demands, monies, liabilities and indebtedness of any kind or nature now or hereafter owing, arising, due or payable from Borrower, when the document evidencing the same specifically recites the recording information appearing on this Deed of Trust and that it is intended to be secured hereby; and (iv) payment and performance by Borrower of any future advances and other obligations pursuant to the Loan Agreement. All payment obligations of Borrower to Lender under the Loan or any of the Loan Documents are hereinafter sometimes collectively referred to as the "**Indebtedness**", and all other obligations of Borrower to Lender under the Loan or any of the Loan Documents are hereinafter sometimes collectively referred to as the "**Obligations**".

C. Borrower hereby acknowledges that it will receive a benefit from Lender making the Loan to Borrower and that this Deed of Trust is given for value, the adequacy of which is hereby agreed to.

AGREEMENT

NOW, THEREFORE, TO SECURE the repayment of the Indebtedness and the performance of the Obligations, Borrower has executed this Deed of Trust and does hereby irrevocably grant, transfer, set over, convey and assign, to Trustee, IN TRUST, WITH THE POWER OF SALE, and right of entry and possession, under and subject to the terms and conditions hereof, for the benefit and security of Lender, Borrower's interest in all of the following described property now owned or hereafter acquired by Borrower and all proceeds thereof (which property is hereinafter sometimes collectively referred to as the "Property"), which Property is not used principally for agricultural or farming purposes:

- (a) The real estate described on Exhibit "A" attached hereto (the "**Land**");
- (b) All of the following (collectively, the "**Improvements**"): all buildings, improvements and fixtures of every kind or nature now or in the future situated or to be constructed on the Land; to the extent not owned by tenants, licensees or managers of the Property, all machinery, appliances, equipment, furniture and all other personal property of every kind or nature located in or on, or attached to, or used or to be used in connection with the Land, buildings, structures, improvements or fixtures; to the extent not owned by tenants, licensees or managers of the Property, all building materials and goods procured for use or in connection with the foregoing; and all additions, substitutions and replacements to any of the foregoing;
- (c) To the extent assignable, all plans, specifications, architectural renderings, drawings, soil test reports, other reports of examination or analysis of the Land or the Improvements;
- (d) All easements, rights-of-way, water courses, mineral rights, water rights, air rights and appurtenances in any way belonging, relating or appertaining to any of the Land or Improvements, or which hereafter shall in any way belong, relate or be appurtenant thereto ("**Appurtenances**");
- (e) All agreements affecting the use, enjoyment or occupancy of the Land and/or Improvements now or hereafter entered into (the "**Leases**") and all rents, prepayments, security deposits, termination payments, royalties, profits, issues and revenues from the Land and/or Improvements from time to time accruing under the Leases (the "**Rents**"), whether paid or accruing before or after the filing by or against Borrower of any petition for relief under Title 11 of the United States Code ("**Bankruptcy Code**"), reserving to Borrower, however, so long as no Event of Default (hereinafter defined) hereunder exists, a revocable license to receive and apply the Rents in accordance with the terms and conditions of Section 6 of this Deed of Trust;
- (f) All claims, demands, judgments, insurance proceeds, tax refunds, reserves, deposits, rights of action, awards of damages, compensation, settlements and other rights to the payment of money hereafter made resulting from or relating to (i) the taking of the Land or the Improvements or any part thereof under the power of eminent domain, (ii) any damage (whether caused by such taking, by casualty or otherwise) to the Land, Improvements or Appurtenances or any part thereof, or (iii) the ownership or operation of the Property;
- (g) To the extent assignable, all management contracts, license agreements, service contracts, supply and maintenance agreements, permits, certificates, licenses, approvals, contracts, options, development rights, entitlements and authorizations, however characterized, issued or in any way furnished for the acquisition, construction, development, operation and use of the Land, Improvements and/or Leases, including building permits, environmental certificates, business licenses, licenses, certificates of operation, warranties and guaranties;

(h) All accounts, contract rights, general intangibles, chattel paper, documents, instruments, inventory, goods, equipment and all books and records relating to the foregoing;

(i) Any monies on deposit with or for the benefit of Lender, including deposits for the payment of real estate taxes and any reserve account or cash collateral;

(j) All refunds, rebates, reimbursements, reserves, deferred payments, deposits, cost savings, governmental subsidy payments, governmentally-registered credits (such as emissions reduction credits), other credits, waivers and payments, whether in cash or in kind, due from or payable by (i) any federal, state, municipal or other governmental or quasi-governmental agency, authority or district (a "Governmental Agency") or (ii) any insurance or utility company relating to any or all of the Property or arising out of the satisfaction of any conditions imposed upon or the obtaining of any approvals for the development or rehabilitation of the Property;

(k) All refunds, rebates, reimbursements, credits and payments of any kind due from or payable by any Governmental Agency for any taxes, special taxes, assessments, or similar governmental or quasi-governmental charges or levies imposed upon Borrower with respect to the Property or upon any or all of the Property or arising out of the satisfaction of any conditions imposed upon or the obtaining of any approvals for the development or rehabilitation of the Property;

(l) All proceeds, products, replacements, additions, substitutions, renewals and accessions of and to the Land, Improvements, Appurtenances or any other property of the types described in the preceding granting clauses; and

(m) Any and all after-acquired right, title or interest of Borrower in and to any property of the types described in the preceding granting clauses.

TO HAVE AND TO HOLD the Property and all parts thereof, together with the rents, issues, profits and proceeds thereof, unto Trustee and its successors and substitutes in this trust and to its successors and assigns, IN TRUST, however, upon the terms, provisions and conditions herein set forth.

Borrower does hereby covenant and agree with Lender as follows:

1. **Payment of Indebtedness; Performance of Obligations.**

Borrower shall promptly pay when due the Indebtedness and shall promptly perform all Obligations, to the extent the Loan Documents require Borrower to do so.

2. **Use of Property.**

Unless required by applicable law, Borrower shall not permit changes in the use of any part of the Property from the use existing at the time this Deed of Trust was executed, except as otherwise contemplated by or permitted by the Loan Agreement. Borrower shall not initiate or acquiesce in a change in the zoning classification of the Property without Lender's prior written consent. Borrower does not and shall not use or permit the use of the Property for agricultural or farming purposes.

3. **Preservation and Maintenance of Property.**

Borrower shall: (a) not commit waste or permit impairment or deterioration of the Property; (b) not abandon the Property; (c) keep the Property in good repair and restore or repair promptly, in a good and workmanlike manner, all or any part of the Property to the equivalent of its original condition, subject to

ordinary wear and tear, or such other condition as Lender may approve in writing, upon any damage or loss thereto; (d) comply with all laws, ordinances, regulations and requirements of any governmental body applicable to the Property; (e) provide for management of the Property by Borrower or by a property manager approved by Lender and pursuant to a property management agreement approved by Lender; and (f) give notice in writing to Lender of and, unless otherwise directed in writing by Lender, appear in and defend any action or proceeding purporting to affect the Property, the security granted by the Loan Documents or the rights or powers of Lender. Neither Borrower nor any tenant or other person shall remove, demolish or substantially alter any Improvement on the Land; provided, however, that Borrower shall be permitted to replace fixtures, equipment, machinery and appliances with items of like kind.

4. Protection of Lender's Security.

If (a) Borrower fails to pay the Indebtedness or to perform the Obligations, (b) any action or proceeding is commenced which affects or could affect the Property or Lender's interest therein, including any loss, damage, cost, expense or liability incurred by Lender with respect to (i) any environmental matters relating to the Property, or (ii) the preparation of the commencement or defense of any action or proceeding or any threatened action or proceeding affecting the Loan Documents or the Property, then Lender, at Lender's option (which, in the case of clause (b) shall be taken only following prior notice to Borrower and reasonable opportunity given to Borrower to cure), may make such appearances, disburse such sums and take such action as Lender deems necessary, in its sole discretion, to protect the Property or Lender's interest therein, including entry upon the Property to take such actions Lender determines appropriate to preserve, protect or restore the Property. Any amounts disbursed by Lender pursuant to this Section 4 (including reasonable, out-of-pocket attorneys' fees, costs and expenses), together with interest thereon at the "Default Rate" (as defined in the Note) from the date of disbursement, shall become additional Indebtedness of Borrower secured by the lien of this Deed of Trust and the other Loan Documents and shall be due and payable on demand. Nothing contained in this Section 4 shall require Lender to incur any expense or take any action hereunder.

5. Actions.

Borrower shall warrant title and appear in and defend any claim or any action or other proceeding purporting to affect title or other interests relating to any part of the Property, the security of this Deed of Trust or the rights of Lender (other than those arising from the alleged gross negligence or willful misconduct of Lender), and give Lender prompt written notice of any such claim, action or proceeding. If Borrower fails to appear in or adequately defend with counsel reasonably satisfactory Lender any such claim, action or proceeding, then Lender may, at the expense of Borrower, appear in and defend any such claim, action or proceeding and any claim, action or other proceeding asserted or brought against Lender in connection with or relating to any part of the Property or this Deed of Trust.

6. Assignment of Rents.

Borrower absolutely and unconditionally assigns and transfers to Lender, all of Borrower's right, title and interest in and to the Rents; provided, however, so long as there shall not have occurred an Event of Default, Borrower shall have the right to collect all Rents, and shall hold the same, in trust, to be applied first to the payment of all impositions, levies, taxes, assessments and other charges upon the Property, second to maintenance of insurance policies upon the Property required hereby, third to the expenses of Property operations, including maintenance and repairs required hereby, fourth to the payment of that portion of the Indebtedness then due and payable, and fifth, the balance, if any, to or as directed by Borrower. If an Event of Default has occurred, Borrower's right to collect and secure the Rents shall automatically cease and Lender shall have the sole right, with or without taking possession of the Property to collect all Rents.

Borrower acknowledges and agrees that, other than as approved in writing by Lender, all Leases shall be subordinate to this Deed of Trust, as this Deed of Trust may be amended from time to time, unless Lender shall specify otherwise at any time during the term of this Deed of Trust. Each Lease executed subsequent to the recording of this Deed of Trust shall contain a provision permitting Lender to notify the tenant at any time that the Lease will be prior to the Deed of Trust. Lender shall be a third party beneficiary of all attornment provisions contained in all Leases executed subsequent to this Deed of Trust. All tenants who execute leases or lease amendments subsequent to the date of recording of this Deed of Trust shall be bound by the terms of this provision.

Borrower shall not be authorized to enter into any lease of the Property without Lender's prior written approval.

The foregoing assignment transfers to Lender all of Borrower's right, title, and interest in any security deposits, provided that Borrower shall have the right to retain the security deposit so long as there is no Event of Default under this Deed of Trust or the Loan Documents. Lender shall have no obligation to any tenant with respect to its security deposit unless and until Lender comes into possession and control of the deposit.

Borrower acknowledges that Lender and Trustee have taken all actions necessary to obtain, and that upon recordation of this Deed of Trust, Lender and Trustee shall have, to the extent permitted under applicable law, a valid and fully perfected, first priority, present assignment of the Rents arising out of the Leases and all security for such Leases. Borrower acknowledges and agrees that upon recordation of this Deed of Trust, Trustee's and Lender's interest in the Rents shall be deemed to be fully perfected, "choate" and enforced as to Borrower and all third parties, including, without limitation, any subsequently appointed trustee in any case under the Bankruptcy Code, without the necessity of commencing a foreclosure action with respect to this Deed of Trust, making formal demand for the Rents, obtaining the appointment of a receiver or taking any other affirmative action.

Borrower, Trustee and Lender agree that (a) this Deed of Trust shall constitute a "security agreement" for the purposes of Section 552(b) of the Bankruptcy Code, (b) the security interest created by this Deed of Trust extends to property of Borrower acquired before the commencement of a case in bankruptcy and to all amounts paid as Rents and (c) such security interest shall extend to all Rents acquired by the estate after the commencement of any case in bankruptcy.

7. Commercial Code Security Agreement.

(a) This Deed of Trust shall constitute a "security agreement" pursuant to the Uniform Commercial Code ("UCC") for any portion of the Property now owned or hereafter acquired by Borrower, including, without limitation, any trustee receipts, which, under applicable law, may be subject to a security interest pursuant to the UCC (such portion of the Property is hereinafter called the "**Personal Property**"), and Borrower hereby grants to Lender a security interest in the Personal Property. Any reproduction of this Deed of Trust or of any other security agreement or financing statement shall be sufficient as a financing statement. In addition, Lender shall have all of the rights and remedies of a secured party under the UCC as well as other rights and remedies available at law or in equity.

(b) Borrower agrees to deliver to Lender any financing statements and further assurances, as well as extensions, renewals and amendments thereof, and reproductions of this Deed of Trust in such form as Lender may reasonably require to perfect a security interest with respect to the Personal Property. Borrower hereby authorizes and empowers Lender to execute and file all financing statements and refilings and continuations thereof as Lender deems necessary or advisable to create, preserve and protect such lien. Borrower shall pay all costs of filing such financing statements and any extensions, renewals, amendments

and releases thereof, and shall pay all reasonable costs and expenses of any record searches for financing statements as Lender may reasonably require. Without limitation of the foregoing, if an Event of Default occurs and is continuing, Lender shall be entitled immediately to exercise all remedies available to it under the UCC. Borrower's (Debtor's) principal place of business is at the address set forth in the first paragraph of this Deed of Trust. Lender's (Secured Party's) principal place of business is at the address set forth in first paragraph of this Deed of Trust.

(c) Any party to any contract subject to the security interest granted herein shall be entitled to rely on the rights of Lender without the necessity of any further notice or action by Borrower. Lender shall not by reason of this Deed of Trust or the exercise of any right granted hereby be obligated to perform any obligation of Borrower with respect to any portion of the Personal Property nor shall Lender be responsible for any act committed by Borrower, or any breach or failure to perform by Borrower with respect to any portion of the Personal Property.

(d) Borrower shall not, without the prior written consent of Lender, sell, assign, transfer, encumber, remove or permit to be removed from the Property any of the Personal Property, other than the sale, assignment, transfer or consumption of inventory in the ordinary course of business or in connection with the renovation and rehabilitation of the Improvements as contemplated or permitted by the Note. So long as no Event of Default exists, Borrower may sell or otherwise dispose of the Personal Property when obsolete, worn out, inadequate or unserviceable, but only upon replacing the same with other Personal Property at least equal in value and utility to the disposed Personal Property; provided, further, so long as no Event of Default exists, Borrower may sell or otherwise dispose of Personal Property that is unnecessary for use in the operation of the Property, and in such event, Borrower shall not be obligated to substitute or replace Personal Property unnecessary for use in the operation of the Property, as determined by Borrower in its reasonable business judgment. Any replacement or substituted Personal Property shall be subject to the security interest granted herein.

(e) To the extent permitted by law, Borrower and Lender agree that with respect to all items of Personal Property which are or will become fixtures on the Land, this Deed of Trust, upon recording or registration in the real estate records of the proper office, shall constitute a "fixture filing" within the meaning of Sections 9102(a)(40) (RCW 62A.9A-102(a)(40)) and 9502 (RCW 62A.9A-502) of the UCC. Borrower is the record owner of the Land as joint tenants.

(f) The information contained in this Section 7 is provided in order that this Deed of Trust shall comply with the requirements of the Uniform Commercial Code as presently in effect in the State of Washington for mortgages to be effective as financing statements filed as a fixture filing.

(g) Upon the occurrence of an Event of Default under this Deed of Trust, the Loan Agreement or any other Loan Document, Lender, pursuant to the appropriate provisions of the UCC, shall have an option to proceed with respect to both the real property portion of the Property and the Personal Property in accordance with its rights, powers and remedies with respect to such real property, in which event the default provisions of the UCC shall not apply. Such option shall be revocable by Lender as to all or any portion of the Personal Property at any time prior to the sale of the remainder of the Property. In such event, Lender shall designate Trustee to conduct the sale of the Personal Property in combination with the sale of the remainder of the Property. Should Lender elect to sell the Personal Property or any part thereof which is real property or which Lender has elected to treat as real property or which may be sold together with the real property as provided above, Lender or Trustee shall give such notice of default and election to sell as may then be required by law. The parties agree that if Lender shall elect to proceed with respect to any portion of the Personal Property separately from such real property, five (5) days' notice of the sale of the Personal Property shall be reasonable notice. The reasonable expenses of retaking, holding, preparing for

sale, selling and the like incurred by Lender shall include, but not be limited to, attorneys' fees, costs and expenses, and other expenses incurred by Lender.

8. **Estoppel Certificate.**

Borrower shall, within twenty (20) days after Lender's request, furnish Lender with a written statement, duly acknowledged by Borrower or a property manager, setting forth the sums, according to Borrower's books and records, secured by the Loan Documents and any right of set-off, counterclaim or other defense which exists against such sums and the Obligations.

9. **Borrower and Lien Not Released.**

Without affecting the liability of Borrower or any other person liable for the payment of the Indebtedness, and without affecting the lien or charge of this Deed of Trust as security for the payment of the Indebtedness, Lender may from time to time and without notice to any junior lien holder or holder of any right or other interest in and to the Property: (a) release any person so liable; (b) waive or modify any provision of this Deed of Trust or the other Loan Documents or grant other indulgences; (c) release all or any part of the Property; (d) take additional security for any obligation herein mentioned; (e) subordinate the lien or charge of this Deed of Trust; (f) consent to the granting of any easement; or (g) consent to any map or plan of the Property.

10. **Transfer of Property by Borrower.** Borrower shall not allow any Transfer (as defined in the Loan Agreement) to occur. Borrower agrees that, in the event of any Transfer without the prior written consent of Lender, Lender shall have the absolute right, without prior demand or notice, to declare all of the Obligations immediately due and payable. Consent to one Transfer shall not be deemed to be a waiver of the right to require consent to future or successive Transfers.

11. **Events of Default; Acceleration of Indebtedness.**

The occurrence of an "Event of Default" under and as defined in the Note, the Loan Agreement or any other Loan Document shall constitute an "Event of Default" under this Deed of Trust, including but not limited to, a Transfer in violation of Section 10 above, and/or a breach of the use restrictions set forth in Section 2 above.

All notices and cure periods described herein shall not be applicable to any event which with the giving of notice, the passage of time or both would constitute an Event of Default, if such event has occurred as of the date on which Lender commences a nonjudicial foreclosure proceeding with respect to another Event or Events of Default. Such event shall constitute an independent Event of Default hereunder.

Upon the occurrence and during the continuation of an Event of Default, at the option of Lender, the Indebtedness shall become immediately due and payable without notice to Borrower and Lender shall be entitled to all of the rights and remedies provided in the Loan Documents or at law or in equity. Each remedy provided in the Loan Documents, is distinct and cumulative to all other rights or remedies under the Loan Documents, or afforded by law or equity, and may be exercised concurrently, independently, or successively, in any order whatsoever.

12. **Entry; Foreclosure.**

(a) **Surrender Possession.** Upon the occurrence and during the continuation of an Event of Default, Borrower, upon demand of Lender, shall forthwith surrender to Lender the actual possession of the Property, or to the extent permitted by law, Trustee or Lender, or their respective officers or agents or

a receiver appointed by a court of competent jurisdiction, may enter and take possession of all or any part of the Property, and may exclude Borrower and its agents and employees wholly therefrom, and may have joint access with Borrower to the books, papers and accounts of Borrower. If Borrower shall for any reason fail to surrender or deliver the Property or any part thereof after such demand by Lender, Lender, Trustee or such receiver may obtain a judgment or decree conferring on Lender, Trustee or such receiver the right to immediate possession of the Property or requiring the delivery of the Property to Lender, Trustee or such receiver, and Borrower specifically consent to the entry of such judgment or decree. Upon every such entering upon or taking of possession, Lender, Trustee or such receiver may hold, store, use, operate, manage and control the Property and conduct the business thereof, and Lender or such receiver may take any action required by applicable law or which Lender or such receiver believes necessary to enforce compliance with the environmental provisions contained herein or in the other Loan Documents, and negotiate with governmental authorities with respect to the Property's environmental compliance and remedial measures in connection therewith. Lender and such receiver and their respective representatives shall have no liability for any loss, damage, injury, cost or expense resulting from any action or omission which was taken or omitted in good faith.

(b) Pursue Remedies. When the Indebtedness or any part thereof shall become due, whether by acceleration or otherwise, Lender may, either with or without entry or taking possession as herein provided or otherwise, proceed by suit or suits at law or in equity or by any other appropriate proceeding or remedy to: (i) enforce payment of the Note or the performance of any term, covenant, condition or agreement of Borrower under any of the Loan Documents; (ii) foreclose the lien hereof for the Indebtedness or part thereof by power of sale, commencement of action or otherwise, as more particularly described in Section 11(c) below or otherwise and sell the Property as an entirety or otherwise, as Lender may determine; and/or (iii) pursue any other right or remedy available to it under or by the law and decisions of the state in which the Land is located. Notwithstanding any statute or rule of law to the contrary, the failure to join any tenant or tenants of the Property as party defendant or defendants in any foreclosure action or the failure of any such order or judgment to foreclose their rights shall not be asserted by Borrower as a defense in any civil action instituted to collect (A) the Indebtedness, or any part thereof, or (B) any deficiency remaining unpaid after foreclosure and sale of the Property.

(c) Trustee's Sale. Should Lender elect to foreclose by exercise of the power of sale contained herein, Lender shall notify Trustee and shall, if required, deposit with Trustee the Note, the original or a certified copy of this Deed of Trust, and such other documents, receipts and evidences of expenditures made and secured hereby as Trustee may require.

(i) Upon receipt of such notice from Lender, Trustee shall cause to be recorded and delivered to Borrower such notice of default as may then be required by law and/or by this Deed of Trust. Trustee shall, without demand on Borrower, after lapse of such time as may then be required by law and after recordation of such notice of default and after notice of sale has been given as required by law, sell the Property in accordance with the Deed of Trust Act of the State of Washington at the time and place of sale fixed by it in said notice of sale, either as a whole or in separate lots or parcels or items as Trustee shall deem expedient, and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States payable at the time of sale. Trustee shall deliver to the purchaser or purchasers at such sale its good and sufficient deed or deeds conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including, without limitation, Borrower, Trustee or Lender, may purchase at such sale, and Borrower hereby covenants to warrant and defend the title of such purchaser or purchasers.

(ii) Trustee may postpone the sale of all or any portion of the Property from time to time in accordance with the laws of the state in which the Land is located.

(iii) To the fullest extent allowed by law, Borrower hereby expressly waive any right which they may have to direct the order in which any of the Property shall be sold in the event of any sale or sales pursuant to this Deed of Trust.

(iv) The power of sale conferred by this Deed of Trust and by the Deed of Trust Act of the State of Washington is not an exclusive remedy; Beneficiary may cause this Deed of Trust to be foreclosed as a mortgage.

(d) Mixed Collateral. Upon the occurrence and during the continuation of an Event of Default under this Deed of Trust, Lender, pursuant to the appropriate provisions of the UCC, shall have an option to proceed with respect to both the real property portion of the Property and the Personal Property in accordance with its rights, powers and remedies with respect to such real property, in which event the default provisions of the UCC shall not apply. Such option shall be revocable by Lender as to all or any portion of the Personal Property at any time prior to the sale of the remainder of the Property. In such event Lender shall, or shall designate Trustee to, conduct the sale of the Personal Property in combination with the sale of the remainder of the Property. Should Lender elect to sell the Personal Property or any part thereof which is real property or which Lender has elected to treat as real property or which may be sold together with the real property as provided above, Lender or Trustee shall give such notice of default and election to sell as may then be required by law. The parties agree that if Lender shall elect to proceed with respect to any portion of the Personal Property separately from such real property, ten (10) days' notice of the sale of the Personal Property shall be reasonable notice. The reasonable out-of-pocket expenses of retaking, holding, preparing for sale, selling and the like incurred by Lender shall include, but not be limited to, reasonable attorneys' fees, costs and expenses, and other reasonable out-of-pocket expenses incurred by Lender.

(e) Uniform Commercial Code. Notwithstanding anything to the contrary in this Deed of Trust, upon the occurrence and during the continuation of an Event of Default, Lender may exercise its rights of enforcement with respect to the Personal Property under the UCC, and in conjunction with, in addition to or in substitution for those rights and remedies:

(i) Lender may enter upon the Property to take possession of, assemble and collect the Personal Property or to render it unusable;

(ii) Lender may require Borrower to assemble the Personal Property and make it available at a place Lender designates which is mutually convenient to Lender to take possession or dispose of the Personal Property;

(iii) any sale made pursuant to the provisions of this paragraph shall be deemed to have been a public sale conducted in a commercially reasonable manner if held contemporaneously with the sale of the Property under power of sale as provided herein upon giving the same notice with respect to the sale of the Personal Property hereunder as is required for such sale of the Property under power of sale;

(iv) in the event of a foreclosure sale, whether made by the Trustee under the terms hereof, or under judgment of a court, the Personal Property and the Property may, at the option of Lender, be sold as a whole;

(v) it shall not be necessary that Lender take possession of the Personal Property or any part thereof prior to the time that any sale pursuant to the provisions of this paragraph is conducted and it shall not be necessary that the Personal Property or any part thereof be present at the location of such sale; and

(vi) Lender may appoint or delegate any one or more persons as agent to perform any act or acts necessary or incident to any sale held by Lender, including the sending of notices and the conduct of the sale, but in the name and on behalf of Lender.

(f) **Rescission of Notice of Sale.** Lender may from time to time rescind any notice of default or notice of sale before any Trustee's sale as provided above in accordance with the laws of the state in which the Land is located. The exercise by Lender of such right of rescission shall not constitute a waiver of any breach or default then existing or subsequently occurring, or impair the right of Lender to execute and deliver to Trustee, as above provided, other declarations or notices of default to satisfy the obligations of this Deed of Trust, or otherwise affect any provision, covenant or condition of any Loan Document or any of the rights, obligations or remedies of Trustee or Lender hereunder or thereunder.

(g) **Rights and Remedies Cumulative.** Trustee and Lender shall have all powers, rights and remedies under applicable law whether or not specifically or generally granted or described in this Deed of Trust. Nothing contained herein shall be construed to impair or to restrict such powers, rights and remedies or to preclude any procedures or process otherwise available to trustees or beneficiaries under deeds of trust in the state in which the Land is located. Trustee and Lender, and each of them, shall be entitled to enforce the payment and performance of the Indebtedness or the Obligations and to exercise all rights and powers under this Deed of Trust or under any other Loan Document or other agreement of any laws now or hereafter in force, notwithstanding the fact that some or all of the Indebtedness and the Obligations may now or hereafter be otherwise secured, whether by deed of trust, mortgage, pledge, lien, assignment or otherwise. Neither the acceptance of this Deed of Trust nor its enforcement, whether by court action or pursuant to the power of sale or other powers contained herein, shall prejudice or in any manner affect Trustee's or Lender's right to realize upon or enforce any other rights or security now or hereafter held by Trustee or Lender. Trustee and Lender, and each of them, shall be entitled to enforce this Deed of Trust and any other rights or security now or hereafter held by Lender or Trustee in such order and manner as they or either of them may in their absolute discretion determine. No remedy herein conferred upon or reserved to Trustee or Lender is intended to be exclusive of any other remedy contained herein or by law provided or permitted, but each shall to the extent permitted by law be cumulative and in addition to every other remedy given hereunder or now or hereafter existing at law or in equity. Every power or remedy given by any of the Loan Documents to Trustee or Lender, or to which either of them may be otherwise entitled, may be exercised, concurrently or independently, from time to time and as often as may be deemed expedient by Trustee or Lender, and either of them may pursue inconsistent remedies. By exercising or by failing to exercise any right, option or election hereunder, Lender shall not be deemed to have waived any provision hereof or to have released Borrower from any of the obligations secured hereby unless such waiver or release is in writing and signed by Lender. The waiver by Lender of Borrower's failure to perform or observe any term, covenant or condition referred to or contained herein to be performed or observed by Borrower shall not be deemed to be a waiver of such term, covenant or condition or of any subsequent failure of Borrower to perform or observe the same or any other such term, covenant or condition referred to or contained herein, and no custom or practice which may develop between Borrower and Lender during the term hereof shall be deemed a waiver of or in any way affect the right of Lender to insist upon the performance by Borrower of the obligations secured hereby in strict accordance with the terms hereof or of any other Loan Document.

13. **Expenditures and Expenses.**

In any action to foreclose the lien hereof or otherwise enforce Lender's rights and remedies hereunder, there shall be allowed and included as additional Indebtedness all costs and expenses outlined in the Note which may be paid or incurred by or on behalf of Lender. All costs, expenses and fees as may be incurred or as may be owing by Lender in the protection of the Property and the maintenance of the lien of this Deed of Trust, including the reasonable out-of-pocket fees, costs and expenses of any attorneys

employed by Lender in any litigation or proceeding affecting this Deed of Trust, the Note, the Loan Agreement, the other Loan Documents, the Property or the Personal Property, including probate, appellate and bankruptcy proceedings, or in preparations for the commencement or defense of any action or proceeding or threatened action or proceeding, including reasonable costs and expenses in connection with obtaining any court order or the appointment of a receiver to enforce Lender's rights pursuant to Washington law, shall be immediately due and payable to Lender, with interest thereon at the Default Rate, and shall be secured by this Deed of Trust. In addition to the foregoing award of attorney's fees, costs and expenses, Lender shall be entitled to its reasonable out-of-pocket attorneys' fees, costs and expenses incurred in any post-judgment proceedings to collect or enforce any judgment or order relating to this Deed of Trust, the Note, the Loan Agreement secured hereby or the other Loan Documents. This provision is separate and several and shall survive the merger of this provision into any judgment.

14. **Application of Proceeds of Foreclosure Sale.**

After deducting all reasonable out-of-pocket costs, fees and expenses of Trustee and of this Deed of Trust, including, without limitation, costs of evidence of title and actual and customary attorneys' fees, costs and expenses of Trustee and Lender in connection with a sale as provided in Section 12 above, the proceeds of any foreclosure sale of the Property shall be distributed and applied in the order of priority set forth in the Note with the remainder, if any, to be distributed to the person or persons legally entitled thereto.

15. **Appointment of Receiver.**

If an Event of Default is continuing or if Lender shall have accelerated the Indebtedness, Lender, upon application to a court of competent jurisdiction, whether in conjunction with Lender's commencement of judicial proceedings to foreclose the lien hereof, or pursuant to other proceedings, shall be entitled as a matter of strict right, without notice, and without regard to the occupancy or value of the Property or any other security for the Indebtedness or the insolvency of any party bound for its payment, to the appointment, at its option, of itself as mortgagee in possession, or of a receiver to take possession of and to operate the Property or any portion thereof, and to collect and apply the Rents, and Borrower hereby irrevocably consents to such appointment and waive notice of any application therefor. The receiver shall have all of the rights and powers to the fullest extent permitted by law. The receiver shall have the right to apply Rents to cleanup, remediation or other response action concerning the release or threatened release of "Hazardous Materials" (as defined in the Environmental Indemnity Agreement) in violation of "Environmental Laws" (as defined in the Environmental Indemnity Agreement), whether or not such actions are pursuant to an order of any federal, state or local governmental agency.

16. **Future Advances.**

This Deed of Trust is given to secure not only the existing Indebtedness, but also future advances (whether such advances are obligatory or are made at the option of Lender, or otherwise) made by Lender under the Note, the Loan Agreement, this Deed of Trust or any other Loan Document, to the same extent as if such future advances were made on the date of the execution of this Deed of Trust. The total amount of indebtedness that may be so secured may decrease or increase from time to time, but all Indebtedness secured hereby shall in no event exceed two (2) times the aggregate face amount of the Note.

17. **Trustee Provisions.**

(a) From time to time upon written request of Lender and presentation of this Deed of Trust for endorsement and without affecting the personal liability of any person for payment of the Indebtedness or performance of the Obligations, Trustee may, without liability therefor and without notice: (i) reconvey all or any part of the Property; (ii) consent to the making of any map or plat thereof; (iii) join in granting any

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easement thereon; join in any declaration of covenants and restrictions; or (iv) join in any extension agreement or any agreement subordinating the lien or charge hereof. Trustee or Lender may from time to time apply in any court of competent jurisdiction for aid and direction in the execution of the trusts hereunder and the enforcement of the rights and remedies available hereunder, and Trustee or Lender may obtain orders or decrees directing or confirming or approving acts in the execution of such trusts and the enforcement of such remedies. Trustee has no obligation to notify any party of any pending sale or any action or proceeding unless held or commenced and maintained by Trustee under this Deed of Trust. Borrower shall pay to Trustee reasonable compensation and reimbursement for services and expenses in the enforcement of the trusts created hereunder, including its reasonable out-of-pocket attorney's fees, cost and expenses. Borrower shall indemnify Trustee and Lender against all losses, claims, demands and liabilities which either may incur, suffer or sustain in the execution of the trusts created hereunder or in the performance of any act required or permitted hereunder or by law, other than any such losses, claims, demand and/or liabilities arising out of the negligence or willful misconduct of Trustee, its employees, officers, directors, partners, members, shareholders or agents.

(b) From time to time, by a writing signed by Lender, Lender may appoint another trustee to act in the place and stead of Trustee or any successor, with the same effect as if originally named Trustee herein.

18. **Forbearance by Lender Not a Waiver.**

Any forbearance by Lender in exercising any right or remedy under any of the Loan Documents, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any right or remedy. Lender's acceptance of payment of any sum secured by any of the Loan Documents after the due date of such payment shall not be a waiver of Lender's right to either require prompt payment when due of all other sums so secured or to declare a default for failure to make prompt payment. The procurement of insurance or the payment of taxes or other liens or charges by Lender shall not be a waiver of Lender's right to accelerate the maturity of the Indebtedness, nor shall Lender's receipt of any awards, proceeds or damages under the Loan Documents operate to cure or waive Borrower's default in payment or sums secured by any of the Loan Documents. With respect to all Loan Documents, only waivers made in writing by Lender shall be effective against Lender.

19. **Waiver of Statute of Limitations.**

Borrower hereby waives the right to assert any statute of limitations as a bar to the enforcement of the lien created by any of the Loan Documents or to any action brought to enforce the Note or any other obligation secured by any of the Loan Documents.

20. **Waiver of Homestead and Redemption.**

Borrower hereby waives all right of homestead exemption in the Property. Borrower hereby waives all right of redemption on behalf of Borrower and on behalf of all other persons acquiring any interest or title in the Property subsequent to the date of this Deed of Trust, except decree or judgment creditors of Borrower.

21. **Governing Law; Severability.**

This Deed of Trust shall be governed by and construed in accordance with the internal laws of the State of Washington. The invalidity, illegality or unenforceability of any provision of this Deed of Trust

shall not affect or impair the validity, legality or enforceability of the remainder of this Deed of Trust, and to this end, the provisions of this Deed of Trust are declared to be severable.

22. **Notice.**

Notices shall be given under this Deed of Trust in conformity with the terms and conditions of the Note and in conformity with applicable law.

23. **Successors and Assigns Bound; Joint and Several Liability; Agents; Captions.**

The covenants and agreements contained in the Loan Documents shall bind, and the rights thereunder shall inure to, the respective successors and assigns of Lender and Borrower. All covenants and agreements of Borrower shall be joint and several. In exercising any rights under the Loan Documents or taking any actions provided for therein, Lender may act through its employees, agents or independent contractors as authorized by Lender. The captions and headings of the paragraphs of this Deed of Trust are for convenience only and are not to be used to interpret or define the provisions hereof.

24. **Release.**

Upon payment of all sums secured by this Deed of Trust, Lender shall release this Deed of Trust. Borrower shall pay Lender's reasonable costs incurred in releasing this Deed of Trust and any financing statements related hereto.

25. **Non-Owner Occupied.**

Borrower hereby represents and warrants that the Property is not its current principal residence, and hereby covenants that during the term of the Loan, Borrower shall not make the Property its principal residence. Borrower acknowledges that Lender would not have entered into the transaction contemplated by the Note if Borrower occupied the Property or intended to occupy the Property as its principal residence. In the event Borrower occupies the Property as its principal residence at any time during the term of the Loan, such action shall cause an immediate Event of Default and the Indebtedness shall be immediately due and payable.


Borrower Initials

26. **Interest Adjustments; Additional Interest.**

The lien of this Deed of Trust, as to principal and adjusted interest and accrued and deferred interest, all pursuant to the Note and the Loan Documents shall at all times be on a parity with the lien of this Deed of Trust as to principal and interest at the date of execution of the Note, the Loan Documents and this Deed of Trust.

27. **Incorporation by Reference.**

All of the terms, covenants and conditions contained in the Note and the Loan Agreement are hereby made a part of this Deed of Trust to the same extent and with the same force as if they were fully set forth herein. All initially capitalized terms used in this Deed of Trust without being defined herein shall have the meanings assigned in the Note or the Loan Agreement, as the case may be. The Recitals to

this Deed of Trust are hereby made a part of this Deed of Trust to the same extent and with the same force as if they were fully set forth herein.

[SIGNATURES BEGIN ON NEXT PAGE]

Borrower has executed this Deed of Trust or has caused the same to be executed by its duly authorized representative as of the date first above written.

"BORROWER":

Alpha Real Estate Investments LLC,
a(n) Washington limited liability company

By: *Curtis Mitchell*

Name: *Curtis Mitchell*

Its: *Member*

DEED OF TRUST

SIGNATURE PAGE

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.

Parsons
State of British Columbia
County of Yule

ROGER M. MACE
Barrister & Solicitor
304 - 3330 RICHTER STREET
KELOWNA, B.C. V1W 4V5

On October 21, 2021 before me, Curtis Mitchell, notary public (here insert name and title of the officer), personally appeared Curtis Mitchell, 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  (Seal)



ROGER M. MACE
Barrister & Solicitor
304 - 3330 RICHTER STREET
KELOWNA, B.C. V1W 4V5

EXHIBIT "A"

LEGAL DESCRIPTION

Lots 5, 6, 7 and 8, EXCEPT the South 15 feet of Lot 8, Block 3, "SEATTLE SYNDICATE'S FIRST ADDITION TO THE CITY OF ANACORTES, WASH.," as per plat recorded in Volume 1 of Plats, page 25, records of Skagit County, Washington.
Situate in the City of Anacortes, County of Skagit, State of Washington.