

Prepared by, and after recording return to:
World Business Lenders, LLC
101 Hudson Street, 33rd Floor
Jersey City, NJ 07302-3905



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Skagit County Auditor

GUARDIAN NORTHWEST TITLE CO.

116789

Trustor: Elizabeth Wallace, as her separate estate

Beneficiary: Axos Bank, its Successors and or Assigns

Trustee: Guardian Northwest Title 1301 Riverside Drive, Mount Vernon, WA 98273.

Abbreviated Legal Description: The Land referred to in this Deed of Trust is situated in the State of Washington, County of Skagit PTD GONT LT 7 134-4 & LT 5 BLK 1 FIRST ADD. TO MOUNTAIN VIEW
Additional legal description is in Exhibit A to this Security Instrument.

Assessor's Tax Parcel ID #: P23327 (Parcel A) & P74932 (Parcel B)

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

This MULTIFAMILY DEED OF TRUST, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING (as amended, restated, replaced, supplemented, or otherwise modified from time to time, the "Security Instrument") dated as of **October 19, 2018**, is executed by **Elizabeth Wallace, as her separate estate**, as grantor ("Trustor"), to (Trustee), as trustee ("Trustee"), for the benefit of **Axos Bank, its Successors and or Assigns, an FDIC Insured Institution** organized and existing under the laws of Nevada, as beneficiary ("Beneficiary").

Trustor, in consideration of (i) the Guaranty (as defined below) and (ii) the trust created by this Security Instrument, and to secure to Beneficiary the performance of all obligations under the Guaranty, and all renewals, extensions and modifications thereof, and the performance of the covenants and agreements of Trustor contained in the Loan Documents (as defined in this Security Instrument), irrevocably and unconditionally mortgages, grants, warrants, conveys, bargains, sells, and assigns to Trustee, in trust, for benefit of Beneficiary, with power of sale and right of entry and possession, the Mortgaged Property (as defined in this Security Instrument), including the real property located in Skagit County, State of Washington, and described in Exhibit A attached to this Security Instrument and incorporated by reference (the "Land"), to have and to hold such Mortgaged Property unto Trustee and Trustee's successors and assigns, forever; Trustor hereby releasing, relinquishing and waiving, to the fullest extent allowed by law, all rights and benefits, if any, under and by virtue of the homestead exemption laws of the Property Jurisdiction (as defined in this Security Instrument), if applicable.

Trustor represents and warrants that Trustor is lawfully seized of the Mortgaged Property and has the right, power and authority to mortgage, grant, warrant, convey, bargain, sell, and assign the Mortgaged Property, and that the Mortgaged Property is not encumbered by any Lien (as defined in this Security Instrument) other than the Permitted Encumbrances (as defined in this Security Instrument). Trustor covenants that Trustor will warrant and defend the title to the Mortgaged Property against all claims and demands other than those claims and demands specifically exempted from such requirement by this Security Instrument.

Trustor, and by their acceptance hereof, each of Trustee and Beneficiary covenants and agrees as follows:

1. Defined Terms.

- (a) Capitalized terms used and not specifically defined herein have the meanings given to such terms in the Guaranty.
- (b) All terms used and not specifically defined herein, but which are otherwise defined by the UCC, shall have the meanings assigned to them by the UCC.

- (c) The following terms, when used in this Security Instrument, shall have the following meanings:
- (i) "Borrower" means Clear Lake Village LLC.
 - (ii) "Condemnation Action" means any action or proceeding, however characterized or named, relating to any condemnation or other taking, or conveyance in lieu thereof, of all or any part of the Mortgaged Property, whether direct or indirect.
 - (iii) "Enforcement Costs" means all expenses and costs, including reasonable attorneys' fees and expenses, fees and out-of-pocket expenses of expert witnesses and costs of investigation, incurred by Beneficiary as a result of any Event of Default under the Guaranty or in connection with efforts to collect any amount due under the Loan Documents, or to enforce the provisions of the Guaranty or any of the other Loan Documents, including those incurred in post-judgment collection efforts and in any bankruptcy or insolvency proceeding (including any action for relief from the automatic stay of any bankruptcy proceeding or foreclosure event) or judicial or non-judicial foreclosure proceeding, to the extent permitted by law.
 - (iv) "Event of Default" has the meaning set forth in the Guaranty.
 - (v) "Fixtures" means all Goods that are so attached or affixed to the Land or the Improvements as to constitute a fixture under the laws of the Property Jurisdiction.
 - (vi) "Goods" means all of Trustor's present and hereafter acquired right, title and interest in all goods which are used now or in the future in connection with the ownership, management, or operation of the Land or the Improvements or are located on the Land or in the Improvements, including inventory; furniture; furnishings; machinery, equipment, engines, boilers, incinerators, and installed building materials; systems and equipment for the purpose of supplying or distributing heating, cooling, electricity, gas, water, air, or light; antennas, cable, wiring, and conduits used in connection with radio, television, security, fire prevention, or fire detection, or otherwise used to carry electronic signals; telephone systems and equipment; elevators and related machinery and equipment; fire detection, prevention and extinguishing systems and apparatus; security and access control systems and apparatus; plumbing systems; water heaters, ranges, stoves, microwave ovens, refrigerators, dishwashers, garbage disposers, washers, dryers, and other appliances; light fixtures, awnings, storm windows, and storm doors; pictures, screens, blinds, shades, curtains, and curtain rods; mirrors, cabinets, paneling, rugs, and floor and wall coverings; fences, trees, and plants; swimming pools; exercise equipment; supplies; tools; books and records (whether in written or electronic form); websites, URLs, blogs, and social network pages; computer equipment (hardware and software); and other tangible personal property which is used now or in the future in connection with the ownership, management, or operation of the Land or the Improvements or are located on the Land or in the Improvements.
 - (vii) "Guaranty" means that certain Continuing Guaranty (Unlimited) and that certain Continuing Guaranty (Limited), if any, executed by Trustor in favor of Beneficiary and designed to secure the obligations of Borrower under the Note
 - (viii) "Improvements" means the buildings, structures, improvements, and alterations now constructed or at any time in the future constructed or placed upon the Land, including any future replacements, facilities, and additions and other construction on the Land.
 - (ix) "Indebtedness" means the principal of, interest on, and all other amounts due at any time under the Note, the Guaranty, this Security Instrument or any other Loan Document, including prepayment premiums, late charges, interest charged at the Default Rate, and accrued interest as provided in the Note and this Security Instrument, advances, costs and expenses to perform the obligations of Trustor or to protect the Mortgaged Property or the security of this Security Instrument, all other monetary obligations of Trustor under the Loan Documents, including amounts due as a result of any indemnification obligations, and any Enforcement Costs.
 - (x) "Land" means the real property described in Exhibit A.
 - (xi) "Leases" means all present and future leases, subleases, licenses, concessions or grants or other possessory interests now or hereafter in force, whether oral or written, covering or affecting the Mortgaged Property, or any portion of the Mortgaged Property (including proprietary leases or occupancy agreements if Trustor is a cooperative housing corporation), and all modifications, extensions or renewals thereof.
 - (xii) "Lien" means any claim or charge against property for payment of a debt or an amount owed for services rendered, including any mortgage, deed of trust, deed to secure debt, security interest, tax lien, any materialman's or mechanic's lien, or any lien of a Governmental Authority, including any lien in connection with the payment of utilities, or any other encumbrance.

- (xiii) "Loan Documents" means (A) the Note, (B) the Guaranty, (C) this Security Instrument, (D) any guaranty of the Note, and (E) any security instrument in support of either (1) the Note or (2) any guaranty of the Note.
- (xiv) "Mortgaged Property" means all of Trustor's present and hereafter acquired right, title and interest, if any, in and to all of the following:
- (A) the Land;
 - (B) the Improvements;
 - (C) the Personalty;
 - (D) current and future rights, including air rights, development rights, zoning rights and other similar rights or interests, easements, tenements, rights of way, strips and gores of land, streets, alleys, roads, sewer rights, waters, watercourses, and appurtenances related to or benefitting the Land or the Improvements, or both, and all rights-of-way, streets, alleys and roads which may have been or may in the future be vacated;
 - (E) insurance policies relating to the Mortgaged Property (and any unearned premiums) and all proceeds paid or to be paid by any insurer of the Land, the Improvements, the Personalty, or any other part of the Mortgaged Property, whether or not Trustor obtained the insurance pursuant to Beneficiary's requirements;
 - (F) awards, payments and other compensation made or to be made by any municipal, state or federal authority with respect to the Land, the Improvements, the Personalty, or any other part of the Mortgaged Property, including any awards or settlements resulting from (1) Condemnation Actions, (2) any damage to the Mortgaged Property caused by governmental action that does not result in a Condemnation Action, or (3) the total or partial taking of the Land, the Improvements, the Personalty, or any other part of the Mortgaged Property under the power of eminent domain or otherwise and including any conveyance in lieu thereof;
 - (G) contracts, options and other agreements for the sale of the Land, the Improvements, the Personalty, or any other part of the Mortgaged Property entered into by Trustor now or in the future, including cash or securities deposited to secure performance by parties of their obligations;
 - (H) Leases and Lease guaranties, letters of credit and any other supporting obligation for any of the Leases given in connection with any of the Leases, and all Rents;
 - (I) earnings, royalties, accounts receivable, issues and profits from the Land, the Improvements or any other part of the Mortgaged Property, and all undisbursed proceeds of the Mortgage Loan and, if Trustor is a cooperative housing corporation, maintenance charges or assessments payable by shareholders or residents;
 - (J) refunds or rebates of charges, taxes, premiums, or expenses assessed by any municipal, state or federal authority or insurance company (other than refunds applicable to periods before the real property tax year in which this Security Instrument is dated);
 - (K) tenant security deposits;
 - (L) names under or by which any of the above Mortgaged Property may be operated or known, and all trademarks, trade names, and goodwill relating to any of the Mortgaged Property;
 - (M) Collateral Accounts and all Collateral Account Funds;
 - (N) products, and all cash and non-cash proceeds from the conversion, voluntary or involuntary, of any of the above into cash or liquidated claims, and the right to collect such proceeds; and
 - (O) all of Trustor's right, title and interest in the oil, gas, minerals, mineral interests, royalties, overriding royalties, production payments, net profit interests and other interests and estates in, under and on the Mortgaged Property and other oil, gas and mineral interests with which any of the foregoing interests or estates are pooled or unitized.
- (xv) "Note" means that certain Business Promissory Note and Security Instrument executed by Borrower in favor of Lender of even date herewith.

- (xvi) "Permitted Encumbrance" means only the easements, restrictions and other matters listed in a schedule of exceptions to coverage in the title policy for the Mortgaged Property and Taxes for the current tax year that are not yet due and payable.
- (xvii) "Personalty" means all of Trustor's present and hereafter acquired right, title and interest in all Goods, accounts, choses of action, chattel paper, documents, general intangibles (including Software), payment intangibles, instruments, investment property, letter of credit rights, supporting obligations, computer information, source codes, object codes, records and data, all telephone numbers or listings, claims (including claims for indemnity or breach of warranty), deposit accounts and other property or assets of any kind or nature related to the Land or the Improvements now or in the future, including operating agreements, surveys, plans and specifications and contracts for architectural, engineering and construction services relating to the Land or the Improvements, and all other intangible property and rights relating to the operation of, or used in connection with, the Land or the Improvements, including all governmental permits relating to any activities on the Land.
- (xviii) "Property Jurisdiction" means the jurisdiction in which the Land is located.
- (xix) "Rents" means all rents (whether from residential or non-residential space), revenues and other income from the Land or the Improvements, including subsidy payments received from any sources, including payments under any "Housing Assistance Payments Contract" or other rental subsidy agreement (if any), parking fees, laundry and vending machine income and fees and charges for food, health care and other services provided at the Mortgaged Property, whether now due, past due, or to become due, and tenant security deposits.
- (xx) "Software" means a computer program and any supporting information provided in connection with a transaction relating to the program. The term does not include any computer program that is included in the definition of Goods.
- (xxi) "Taxes" means all taxes, assessments, vault rentals and other charges, if any, general, special or otherwise, including assessments for schools, public betterments and general or local improvements, which are levied, assessed or imposed by any public authority or quasi-public authority, and which, if not paid, may become a lien, on the Land or the Improvements or any taxes upon any Loan Document.
- (xxii) "UCC" means the Uniform Commercial Code in effect in the Property Jurisdiction, as amended from time to time.
- (xxiii) "UCC Collateral" means any or all of that portion of the Mortgaged Property in which a security interest may be granted under the UCC and in which Trustor has any present or hereafter acquired right, title or interest.

2. Security Agreement; Fixture Filing.

- (a) To secure to Beneficiary the performance of the covenants and agreements of Trustor contained in the Guaranty and in the Loan Documents, Trustor hereby pledges, assigns, and grants to Beneficiary a continuing security interest in the UCC Collateral.
- (b) This Security Instrument
 - (i) constitutes a security agreement and a financing statement under the UCC,
 - (ii) constitutes a financing statement pursuant to the terms of the UCC with respect to any part of the Mortgaged Property that is or may become a Fixture under applicable law, and
 - (iii) will be recorded as a "fixture filing" in accordance with the UCC.
- (c) Trustor authorizes Beneficiary to file financing statements, continuation statements and financing statement amendments in such form as Beneficiary may require to perfect or continue the perfection of this security interest without the signature of Trustor.
- (d) If an Event of Default has occurred and is continuing, Beneficiary shall have the remedies of a secured party under the UCC or otherwise provided at law or in equity, in addition to all remedies provided by this Security Instrument and in any Loan Document.
- (e) Beneficiary may exercise any or all of its remedies against the UCC Collateral separately or together, and in any order, without in any way affecting the availability or validity of Beneficiary's other remedies.
- (f) For purposes of the UCC, the debtor is Trustor and the secured party is Beneficiary.
- (g) The name and address of the debtor and secured party are set forth after Trustor's signature below which are the addresses from which information on the security interest may be obtained.

- (h) Trustor represents and warrants that:
- (i) Trustor maintains its chief executive office at the location set forth after Trustor's signature below, and Trustor will notify Beneficiary in writing of any change in its chief executive office within five (5) days of such change;
 - (ii) Trustor is the record owner of the Mortgaged Property;
 - (iii) Trustor's state of incorporation, organization, or formation, if applicable, is as set forth on Page 1 of this Security Instrument;
 - (iv) Trustor's exact legal name is as set forth on Page 1 of this Security Instrument;
 - (v) Trustor's organizational identification number, if applicable, is as set forth after Trustor's signature below;
 - (vi) Trustor is the owner of the UCC Collateral subject to no liens, charges or encumbrances other than the lien hereof;
 - (vii) the UCC Collateral will not be removed from the Mortgaged Property without the consent of Beneficiary; and
 - (viii) no financing statement covering any of the UCC Collateral or any proceeds thereof is on file in any public office except pursuant hereto.
- (i) All property of every kind acquired by Trustor after the date of this Security Instrument which by the terms of this Security Instrument shall be subject to the lien and the security interest created hereby, shall immediately upon the acquisition thereof by Trustor and without further conveyance or assignment become subject to the lien and security interest created by this Security Instrument.
- (j) Nevertheless, Trustor shall execute, acknowledge, deliver and record or file, as appropriate, all and every such further deeds of trust, mortgages, deeds to secure debt, security agreements, financing statements, assignments and assurances as Beneficiary shall require for accomplishing the purposes of this Security Instrument and to comply with the rerecording requirements of the UCC.
3. Assignment of Leases and Rents; Appointment of Receiver; Beneficiary in Possession.
- (a) Trustor absolutely and unconditionally assigns and transfers to Beneficiary all Leases and Rents.
 - (b) It is the intention of Trustor to establish present, absolute and irrevocable transfers and assignments to Beneficiary of all Leases and Rents and to authorize and empower Beneficiary to collect and receive all Rents without the necessity of further action on the part of Trustor.
 - (c) Trustor and Beneficiary intend the assignments of Leases and Rents to be effective immediately and to constitute absolute present assignments, and not assignments for additional security only.
 - (d) Only for purposes of giving effect to these absolute assignments of Leases and Rents, and for no other purpose, the Leases and Rents shall not be deemed to be a part of the Mortgaged Property.
 - (e) However, if these present, absolute and unconditional assignments of Leases and Rents are not enforceable by their terms under the laws of the Property Jurisdiction, then each of the Leases and Rents shall be included as part of the Mortgaged Property, and it is the intention of Trustor, in such circumstance, that this Security Instrument create and perfect a lien on each of the Leases and Rents in favor of Beneficiary, which liens shall be effective as of the date of this Security Instrument.
 - (f) This assignment of Leases and Rents is intended to be specific, perfected, and choate upon recording as provided in RCW 7.28.230.
 - (g) Until an Event of Default has occurred and is continuing, but subject to the limitations set forth in the Loan Documents, Trustor shall have a revocable license:
 - (i) to exercise all rights, power and authority granted to Trustor under the Leases (including the right, power and authority to modify the terms of any Lease, extend or terminate any Lease, or enter into new Leases, subject to the limitations set forth in the Loan Documents),
 - (ii) to collect and receive all Rents,
 - (iii) to hold all Rents in trust for the benefit of Beneficiary, and
 - (iv) to apply all Rents to pay
 - (A) payments due under the Note,
 - (B) the other amounts then due and payable under the other Loan Documents,

- (C) the current costs and expenses of managing, operating and maintaining the Mortgaged Property, including utilities,
 - (D) tenant improvements, and
 - (E) other capital expenditures associated with the Mortgaged Property.
- (h) So long as no Event of Default has occurred and is continuing (and no event which, with the giving of notice or the passage of time, or both, would constitute an Event of Default has occurred and is continuing), the Rents remaining after application pursuant to Section 3(g)(iv) may be retained and distributed by Trustor free and clear of, and released from, Beneficiary's rights with respect to Rents under this Security Instrument.
- (i) If an Event of Default has occurred and is continuing, without the necessity of Beneficiary entering upon and taking and maintaining control of the Mortgaged Property directly, by a receiver, or by any other manner or proceeding permitted by the laws of the Property Jurisdiction,
- (i) the revocable license granted to Trustor pursuant to Section 3(g) shall automatically terminate,
 - (ii) Beneficiary shall immediately have all rights, powers and authority granted to Trustor under any Lease (including the right, power and authority to modify the terms of any such Lease, or extend or terminate any such Lease) and,
 - (iii) without notice, Beneficiary shall be entitled to all Rents as they become due and payable, including Rents then due and unpaid.
- (j) During the continuance of an Event of Default, Trustor authorizes Beneficiary to collect, sue for and compromise Rents and directs each tenant of the Mortgaged Property to pay all Rents to, or as directed by, Beneficiary, and Trustor shall, upon Trustor's receipt of any Rents from any sources, pay the total amount of such receipts to Beneficiary.
- (k) Although the foregoing rights of Beneficiary are self-effecting, at any time during the continuance of an Event of Default, Beneficiary may make demand for all Rents, and Beneficiary may give, and Trustor hereby irrevocably authorizes Beneficiary to give, notice to all tenants of the Mortgaged Property instructing them to pay all Rents to Beneficiary (such notice to be delivered to each tenant personally, by mail or to each rental unit).
- (l) No tenant shall be obligated to inquire further as to the occurrence or continuance of an Event of Default, and no tenant shall be obligated to pay to Trustor any amounts that are actually paid to Beneficiary in response to such a notice.
- (m) If an Event of Default has occurred and is continuing, Beneficiary may, regardless of the adequacy of Beneficiary's security or the solvency of Trustor, and even in the absence of waste:
- (i) enter upon, take and maintain full control of the Mortgaged Property,
 - (ii) exclude Trustor and its agents and employees therefrom, and
 - (iii) perform all acts that Beneficiary, in its discretion, determines to be necessary or desirable for the operation and maintenance of the Mortgaged Property (including, without limitation, the execution, cancellation or modification of Leases, the collection of all Rents whether through a lockbox or otherwise, the making of repairs to the Mortgaged Property and the execution or termination of contracts providing for the management, operation or maintenance of the Mortgaged Property, for the purposes of enforcing this assignment of Rents, protecting the Mortgaged Property or the security of this Security Instrument and the Mortgage Loan).
- (n) Notwithstanding any other right provided Beneficiary under this Security Instrument or any other Loan Document, if an Event of Default has occurred and is continuing, and regardless of the adequacy of Beneficiary's security or Trustor's solvency, and without the necessity of giving prior notice (oral or written) to Trustor, Beneficiary may apply to any court having jurisdiction for the appointment of a receiver for the Mortgaged Property to take any or all of the actions set forth in Section 3.
- (o) If Beneficiary elects to seek the appointment of a receiver for the Mortgaged Property at any time after an Event of Default has occurred and is continuing, Trustor, by its execution of this Security Instrument, expressly consents to the appointment of such receiver, including the appointment of a receiver ex parte, if permitted by applicable law.
- (p) Trustor consents to shortened time consideration of a motion to appoint a receiver.
- (q) Beneficiary or the receiver, as applicable, shall be entitled to receive a reasonable fee for managing the Mortgaged Property and such fee shall become an additional part of the Indebtedness.
- (r) Immediately upon appointment of a receiver or Beneficiary's entry upon and taking possession and control of the Mortgaged Property, possession of the Mortgaged Property and all documents, records (including records

on electronic or magnetic media), accounts, surveys, plans, and specifications relating to the Mortgaged Property, and all security deposits and prepaid Rents, shall be surrendered to Beneficiary or the receiver, as applicable.

- (s) If Beneficiary or receiver takes possession and control of the Mortgaged Property, Beneficiary or receiver may exclude Trustor and its representatives from the Mortgaged Property.
- (t) The acceptance by Beneficiary of the assignments of the Leases and Rents pursuant to this Section 3 shall not at any time or in any event obligate Beneficiary to take any action under any Loan Document or to expend any money or to incur any expense.
- (u) Beneficiary shall not be liable in any way for any injury or damage to person or property sustained by any Person in, on or about the Mortgaged Property.
- (v) Prior to Beneficiary's actual entry upon and taking possession and control of the Land and Improvements, Beneficiary shall not be:
 - (i) obligated to perform any of the terms, covenants and conditions contained in any Lease (or otherwise have any obligation with respect to any Lease);
 - (ii) obligated to appear in or defend any action or proceeding relating to any Lease or the Mortgaged Property; or
 - (iii) responsible for the operation, control, care, management or repair of the Mortgaged Property or any portion of the Mortgaged Property.
- (w) The execution of this Security Instrument shall constitute conclusive evidence that all responsibility for the operation, control, care, management and repair of the Mortgaged Property is and shall be that of Trustor, prior to such actual entry and taking possession and control by Beneficiary of the Land and Improvements.
- (x) Beneficiary shall
 - (i) be liable to account only to Trustor and only for Rents actually received by Beneficiary, but
 - (ii) shall not be liable to Trustor, anyone claiming under or through Trustor or anyone having an interest in the Mortgaged Property by reason of any act or omission of Beneficiary under this Section 3 (and Trustor hereby releases and discharges Beneficiary from any such liability to the fullest extent permitted by law, provided that Beneficiary shall not be released from liability that occurs as a result of Beneficiary's gross negligence or willful misconduct as determined by a court of competent jurisdiction pursuant to a final, non-appealable court order).
- (y) If the Rents are not sufficient to meet the costs of taking control of and managing the Mortgaged Property and collecting the Rents, any funds expended by Beneficiary for such purposes shall be added to, and become a part of, the principal balance of the Indebtedness, be immediately due and payable, and bear interest at the Default Rate from the date of disbursement until fully paid.
- (z) Any entering upon and taking control of the Mortgaged Property by Beneficiary or the receiver, and any application of Rents as provided in this Security Instrument, shall not cure or waive any Event of Default or invalidate any other right or remedy of Beneficiary under applicable law or provided for in this Security Instrument or any Loan Document.

4. Protection of Beneficiary's Security.

- (a) If Trustor fails to perform any of its obligations under this Security Instrument or any other Loan Document, or any action or proceeding is commenced that purports to affect the Mortgaged Property, Beneficiary's security, rights or interests under this Security Instrument or any Loan Document (including eminent domain, insolvency, code enforcement, civil or criminal forfeiture, enforcement of environmental laws, regulations, or orders, fraudulent conveyance or reorganizations or proceedings involving a debtor or decedent), Beneficiary may, at its option, make such appearances, disburse or pay such sums and take such actions, whether before or after an Event of Default or whether directly or to any receiver for the Mortgaged Property, as Beneficiary reasonably deems necessary to perform such obligations of Trustor and to protect the Mortgaged Property or Beneficiary's security, rights or interests in the Mortgaged Property or the Mortgage Loan, including:
 - (i) paying fees and out-of-pocket expenses of attorneys, accountants, inspectors and consultants;
 - (ii) entering upon the Mortgaged Property to make repairs or secure the Mortgaged Property;
 - (iii) obtaining (or force-placing) the insurance required by the Loan Documents; and
 - (iv) paying any amounts required under any of the Loan Documents that Trustor has failed to pay.

- (b) Any amounts so disbursed or paid by Beneficiary shall be added to, and become part of, the principal balance of the Indebtedness, be immediately due and payable and bear interest at the Default Rate from the date of disbursement until fully paid.
- (c) The provisions of this Section 4 shall not be deemed to obligate or require Beneficiary to incur any expense or take any action.

5. Default; Acceleration; Remedies.

- (a) If an Event of Default has occurred and is continuing, Beneficiary, at its option, may demand the performance of all obligations under the Guaranty, whether matured or unmatured, without further demand, and 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 any other appropriate proceeding or remedy
 - (i) to enforce performance of all obligations under the Guaranty;
 - (ii) to foreclose this Security Instrument judicially or non-judicially by the power of sale granted herein;
 - (iii) to enforce or exercise any right under any Loan Document; and
 - (iv) to pursue any one (1) or more other remedies provided in this Security Instrument or in any other Loan Document or otherwise afforded by applicable law.
- (b) Each right and remedy provided in this Security Instrument or any other Loan Document is distinct from all other rights or remedies under this Security Instrument or any other Loan Document or otherwise afforded by applicable law, and each shall be cumulative and may be exercised concurrently, independently, or successively, in any order.
- (c) Trustor has the right to bring an action to assert the nonexistence of an Event of Default or any other defense of Trustor to acceleration and sale.
- (d) Trustor acknowledges that the power of sale granted in this Security Instrument may be exercised or directed by Beneficiary without prior judicial hearing.
- (e) If Beneficiary invokes the power of sale:
 - (i) Beneficiary shall send to Trustor and any other Persons required to receive such notice, written notice of Beneficiary's election to cause the Mortgaged Property to be sold.
 - (ii) Trustor hereby authorizes and empowers Trustee to take possession of the Mortgaged Property, or any part thereof, and hereby grants to Trustee a power of sale and authorizes and empowers Trustee to sell (or, in the case of the default of any purchaser, to resell) the Mortgaged Property or any part thereof, in compliance with applicable law, including compliance with any and all notice and timing requirements for such sale.
 - (iii) Trustee may postpone the sale of all or any part of the Mortgaged Property for a period or periods not exceeding a total of one hundred twenty (120) days (or such period as may be fixed by RCW 61.24.040(6)) by public announcement at the time and place fixed in the notice of sale.
 - (iv) Trustee shall have the authority to determine the terms of the sale to the extent permitted by RCW 61.24.040, 61.24.070 and other applicable law.
 - (v) In connection with any such sale, the whole of the Mortgaged Property may be sold in one (1) parcel as an entirety or in separate lots or parcels at the same or different times.
 - (vi) Beneficiary shall have the right to become the purchaser at any such sale.
 - (vii) Trustee shall be entitled to receive fees and expenses from such sale not to exceed the amount permitted by applicable law.
 - (viii) Within a reasonable time after the sale, Trustee shall deliver to the purchaser of the Mortgaged Property a deed or such other appropriate conveyance document conveying the Mortgaged Property so sold without any express or implied covenant or warranty.
 - (ix) The recitals in such deed or document shall be prima facie evidence of the truth of the statements made in those recitals.
 - (x) all obligations under the Guaranty, whether matured or unmatured, shall then be due without demand or notice of any kind.
 - (xi) If the Mortgaged Property is sold for an amount less than the amount outstanding under the Indebtedness, the deficiency shall be determined by the purchase price at the sale or sales.

- (xii) Trustor waives all rights, claims, and defenses with respect to Beneficiary's ability to obtain a deficiency judgment.
 - (f) Trustor acknowledges and agrees that the proceeds of any sale shall be applied as required by applicable law (see RCW 61.24.080).
 - (g) In connection with the exercise of Beneficiary's rights and remedies under this Security Instrument and any other Loan Document, there shall be allowed and included as Indebtedness:
 - (i) all expenditures and expenses authorized by applicable law and all other expenditures and expenses which may be paid or incurred by or on behalf of Beneficiary for reasonable legal fees, appraisal fees, outlays for documentary and expert evidence, stenographic charges and publication costs;
 - (ii) all expenses of any environmental site assessments, environmental audits, environmental remediation costs, appraisals, surveys, engineering studies, wetlands delineations, flood plain studies, and any other similar testing or investigation deemed necessary or advisable by Beneficiary incurred in preparation for, contemplation of or in connection with the exercise of Beneficiary's rights and remedies under the Loan Documents; and
 - (iii) costs (which may be reasonably estimated as to items to be expended in connection with the exercise of Beneficiary's rights and remedies under the Loan Documents) of procuring all abstracts of title, title searches and examinations, title insurance policies, and similar data and assurance with respect to title as Beneficiary may deem reasonably necessary either to prosecute any suit or to evidence the true conditions of the title to or the value of the Mortgaged Property to bidders at any sale which may be held in connection with the exercise of Beneficiary's rights and remedies under the Loan Documents.
 - (h) All expenditures and expenses of the nature mentioned in this Section 5, and such other expenses and fees as may be incurred in the protection of the Mortgaged Property and rents and income therefrom and the maintenance of the lien of this Security Instrument, including the fees of any attorney employed by Beneficiary in any litigation or proceedings affecting this Security Instrument, the Guaranty, the other Loan Documents, or the Mortgaged Property, including bankruptcy proceedings, any foreclosure event, or in preparation of the commencement or defense of any proceedings or threatened suit or proceeding, or otherwise in dealing specifically therewith, shall be so much additional Indebtedness and shall be immediately due and payable by Trustor, with interest thereon at the Default Rate until paid.
 - (i) Any action taken by Trustee or Beneficiary pursuant to the provisions of this Section 5 shall comply with the laws of the Property Jurisdiction.
 - (j) The laws of the Property Jurisdiction shall take precedence over the provisions of this Section 5, but shall not invalidate or render unenforceable any other provision of any Loan Document that can be construed in a manner consistent with any applicable law.
 - (k) If any provision of this Security Instrument shall grant to Beneficiary (including Beneficiary acting as a mortgagee-in-possession), Trustee or a receiver appointed pursuant to the provisions of this Security Instrument any powers, rights or remedies prior to, upon, during the continuance of or following an Event of Default that are more limited than the powers, rights, or remedies that would otherwise be vested in such party under any applicable law in the absence of said provision, such party shall be vested with the powers, rights, and remedies granted in such applicable law to the full extent permitted by law.
6. Waiver of Statute of Limitations and Marshaling.
- (a) Trustor hereby waives the right to assert any statute of limitations as a bar to the enforcement of the lien of this Security Instrument or to any action brought to enforce any Loan Document.
 - (b) Notwithstanding the existence of any other security interests in the Mortgaged Property held by Beneficiary or by any other party, Beneficiary shall have the right to determine the order in which any or all of the Mortgaged Property shall be subjected to the remedies provided in this Security Instrument and/or any other Loan Document or by applicable law.
 - (c) Beneficiary shall have the right to determine the order in which any or all portions of the Indebtedness are satisfied from the proceeds realized upon the exercise of such remedies.
 - (d) Trustor, for itself and all who may claim by, through, or under it, and any party who now or in the future acquires a security interest in the Mortgaged Property and who has actual or constructive notice of this Security Instrument waives any and all right to require the marshaling of assets or to require that any of the Mortgaged Property be sold in the inverse order of alienation or that any of the Mortgaged Property be sold in parcels (at the same time or different times) in connection with the exercise of any of the remedies provided in this Security Instrument or any other Loan Document, or afforded by applicable law.

7. Waiver of Redemption; Rights of Tenants.

- (a) Trustor hereby covenants and agrees that it will not at any time apply for, insist upon, plead, avail itself, or in any manner claim or take any advantage of, any appraisal, stay, exemption or extension law or any so-called "Moratorium Law" now or at any time hereafter enacted or in force in order to prevent or hinder the enforcement or foreclosure of this Security Instrument.
- (b) Without limiting the foregoing:
 - (i) Trustor for itself and all Persons who may claim by, through, or under Trustor, hereby expressly waives any so-called "Moratorium Law" and any and all rights of reinstatement and redemption, if any, under any order or decree of foreclosure of this Security Instrument, it being the intent hereof that any and all such "Moratorium Laws," and all rights of reinstatement and redemption of Trustor and of all other Persons claiming by, through, or under Trustor are and shall be deemed to be hereby waived to the fullest extent permitted by applicable law;
 - (ii) Trustor shall not invoke or utilize any such law or laws or otherwise hinder, delay or impede the execution of any right, power remedy herein or otherwise granted or delegated to Beneficiary but will suffer and permit the execution of every such right, power and remedy as though no such law or laws had been made or enacted; and
 - (iii) if Trustor is a trust, Trustor represents that the provisions of this Section 7 (including the waiver of reinstatement and redemption rights) were made at the express direction of Trustor's beneficiaries and the persons having the power of direction over Trustor, and are made on behalf of the trust estate of Trustor and all beneficiaries of Trustor, as well as all other persons mentioned above.
- (c) Beneficiary shall have the right to foreclose subject to the rights of any tenant or tenants of the Mortgaged Property having an interest in the Mortgaged Property prior to that of Beneficiary.
- (d) The failure to join any such tenant or tenants of the Mortgaged Property as party defendant or defendants in any such civil action or the failure of any decree of foreclosure and sale to foreclose their rights shall not be asserted by Trustor as a defense in any civil action instituted to collect the Indebtedness, or any part thereof or any deficiency remaining unpaid after foreclosure and sale of the Mortgaged Property, any statute or rule of law at any time existing to the contrary notwithstanding.

8. Notice.

- (a) All notices under this Security Instrument shall be:
 - (i) in writing,
 - (ii) delivered (A) in person, (B) by U.S. Mail, postage prepaid, either by registered or certified delivery, return receipt requested, or (C) or by overnight express courier;
 - (iii) addressed to the intended recipient at its respective address set forth at the end of this Security Instrument; and
 - (iv) deemed given on the earlier to occur of:
 - (A) the date when the notice is received by the addressee; or
 - (B) if the recipient refuses or rejects delivery, the date on which the notice is so refused or rejected, as conclusively established by the records of the United States Postal Service or such express courier service.
- (b) Any party to this Security Instrument may change the address to which notices intended for it are to be directed by means of notice given to the other party in accordance with this Section 8.
- (c) Any required notice under this Security Instrument which does not specify how notices are to be given shall be given in accordance with this Section 8.

9. Mortgagee-in-Possession. Trustor acknowledges and agrees that the exercise by Beneficiary of any of the rights conferred in this Security Instrument shall not be construed to make Beneficiary a mortgagee-in-possession of the Mortgaged Property so long as Beneficiary has not itself entered into actual possession of the Land and Improvements.

10. Reconveyance. Upon payment of the Indebtedness and satisfaction of all obligations (whether matured or unmatured) under the Guaranty,

- (a) Beneficiary shall request Trustee to reconvey the Mortgaged Property and shall deliver this Security Instrument and the Note to Trustee,
- (b) Trustee shall reconvey the Mortgaged Property without warranty to the person or persons legally entitled thereto, and

- (c) such person or persons shall pay Trustee's reasonable costs incurred in so reconveying the Mortgaged Property.
11. Substitute Trustee.
- (a) In accordance with Washington law, Beneficiary may from time to time appoint a successor trustee to any Trustee appointed under this Security Instrument who has ceased to act.
- (b) Without conveyance of the Mortgaged Property, the successor trustee shall succeed to all the title, power and duties conferred upon the predecessor Trustee and by applicable law.
12. Washington State Specific Provisions.
- (a) The Mortgaged Property is not used principally for agricultural purposes.
- (b) 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.
- (c) With respect to any contractual matters that Trustor establishes in any action within the scope of RCW 4.24.115, Trustor expressly (i) waives Trustor's immunity under RCW tit. 51 and acknowledges that such waiver was mutually negotiated by the parties; and (ii) agrees to indemnify Beneficiary.
- (d) The scope of this indemnity shall be limited with regard to damages for bodily injury to persons or damage to property resulting from the concurrent negligence of Trustor or Trustor's agents or employees and of Beneficiary or Beneficiary's agents or employees, as to which Trustor agrees to indemnify Beneficiary to the extent of the negligence of Trustor or Trustor's agents or employees.
- (e) Nothing herein shall be deemed to require Trustor to indemnify Beneficiary against the sole or concurrent negligence of Beneficiary or Beneficiary's agents or employees if such indemnity would be prohibited under RCW 4.24.115.
- (f) The parties intend that under indemnity provisions herein, unless otherwise expressly limited herein, Trustor shall indemnify Beneficiary to the fullest extent not prohibited by law, including, without limitation, in the event of the sole or concurrent negligence of Beneficiary or of any other person or entity.
13. Governing Law; Consent to Jurisdiction and Venue.
- (a) The creation, perfection, priority and enforcement of the security interest created pursuant to this Security Instrument shall be governed by, and construed and interpreted in accordance with, the laws of the State of Washington without regard to the conflict of laws provisions of such state.
- (b) The provisions of this Security Instrument relating to the obligations secured hereby or to any agreement, instrument or document giving rise to the obligations secured hereby shall be governed by and construed and interpreted in accordance with, the governing law of the Note.
- (c) Nothing in this Security Instrument shall be construed or interpreted to provide that any other agreement, instrument or document shall be governed by the laws of the State of Washington.
- (d) Trustor (i) agrees that any suit, action or proceeding arising out of or relating to this Security Instrument may be brought in a state court of record or a federal court of record in the county of Skagit, Washington, (ii) consents to the jurisdiction of each such court in any such suit, action or proceeding, (iii) waives any objection to the laying of venue of any such suit, action or proceeding in any such court, (iv) waives any claim that any such suit, action or proceeding has been brought in an inconvenient forum, (v) waives any other venue to which it might be entitled for any such suit, action or proceeding by virtue of citizenship, domicile, habitual residence or otherwise, (vi) consents to the service of any process in any such suit, action or proceeding at its address provided herein, and (vii) agrees that nothing in this Security Instrument waives the Beneficiary's choice of venue under any other agreement, instrument or document.
- (e) Nothing in this Security Instrument shall prevent Beneficiary from bringing any suit, action or proceeding, enforcing any award or judgment, or exercising any right or remedy against Borrower, or against any security or collateral for the obligations of Borrower to Beneficiary, within any other county or state, or any other foreign or domestic jurisdiction.
14. Miscellaneous Provisions.
- (a) This Security Instrument shall bind, and the rights granted by this Security Instrument shall benefit, the successors and assigns of Beneficiary.
- (b) This Security Instrument shall bind, and the obligations granted by this Security Instrument shall inure to, any permitted successors and assigns of Trustor under the Guaranty.

- (c) If more than one (1) person or entity signs this Security Instrument as Trustor, the obligations of such persons and entities shall be joint and several.
- (d) The relationship between Beneficiary and Trustor shall be solely that of creditor and debtor, respectively, and nothing contained in this Security Instrument shall create any other relationship between Beneficiary and Trustor.
- (e) No creditor of any party to this Security Instrument and no other person shall be a third party beneficiary of this Security Instrument or any other Loan Document.
- (f) The invalidity or unenforceability of any provision of this Security Instrument or any other Loan Document shall not affect the validity or enforceability of any other provision of this Security Instrument or of any other Loan Document, all of which shall remain in full force and effect.
- (g) This Security Instrument contains the complete and entire agreement among the parties as to the matters covered, rights granted and the obligations assumed in this Security Instrument.
- (h) This Security Instrument may not be amended or modified except by written agreement signed by the parties hereto.
- (i) The following rules of construction shall apply to this Security Instrument:
 - (i) The captions and headings of the sections of this Security Instrument are for convenience only and shall be disregarded in construing this Security Instrument.
 - (ii) Any reference in this Security Instrument to an "Exhibit" or "Schedule" or a "Section" or an "Article" shall, unless otherwise explicitly provided, be construed as referring, respectively, to an exhibit or schedule attached to this Security Instrument or to a Section or Article of this Security Instrument.
 - (iii) Any reference in this Security Instrument to a statute or regulation shall be construed as referring to that statute or regulation as amended from time to time.
 - (iv) Use of the singular in this Security Instrument includes the plural and use of the plural includes the singular.
 - (v) As used in this Security Instrument, the term "including" means "including, but not limited to" or "including, without limitation," and is for example only, and not a limitation.
 - (vi) Whenever Trustor's knowledge is implicated in this Security Instrument or the phrase "to Trustor's knowledge" or a similar phrase is used in this Security Instrument, Trustor's knowledge or such phrase(s) shall be interpreted to mean to the best of Trustor's knowledge after reasonable and diligent inquiry and investigation.
 - (vii) Unless otherwise provided in this Security Instrument, if Beneficiary's approval, designation, determination, selection, estimate, action or decision is required, permitted or contemplated hereunder, such approval, designation, determination, selection, estimate, action or decision shall be made in Beneficiary's sole and absolute discretion.
 - (viii) All references in this Security Instrument to a separate instrument or agreement shall include such instrument or agreement as the same may be amended or supplemented from time to time pursuant to the applicable provisions thereof.
 - (ix) "Beneficiary may" shall mean at Beneficiary's discretion, but shall not be an obligation.
- (j) Time is of the Essence. Trustor agrees that, with respect to each and every obligation and covenant contained in this Security Instrument and the other Loan Documents, time is of the essence.
- (k) WAIVER OF TRIAL BY JURY. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, EACH OF TRUSTOR AND BENEFICIARY (BY ITS ACCEPTANCE HEREOF) (A) COVENANTS AND AGREES NOT TO ELECT A TRIAL BY JURY WITH RESPECT TO ANY ISSUE ARISING OUT OF THIS SECURITY INSTRUMENT OR THE RELATIONSHIP BETWEEN THE PARTIES AS TRUSTOR AND BENEFICIARY THAT IS TRIABLE OF RIGHT BY A JURY AND (B) WAIVES ANY RIGHT TO TRIAL BY JURY WITH RESPECT TO SUCH ISSUE TO THE EXTENT THAT ANY SUCH RIGHT EXISTS NOW OR IN THE FUTURE. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS SEPARATELY GIVEN BY EACH OF TRUSTOR AND BENEFICIARY, KNOWINGLY AND VOLUNTARILY WITH THE BENEFIT OF COMPETENT LEGAL COUNSEL.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, Trustor has signed and delivered this Security Instrument under seal (where applicable) or has caused this Security Instrument to be signed and delivered by its duly authorized representative under seal (where applicable). Where applicable law so provides, Trustor intends that this Security Instrument shall be deemed to be signed and delivered as a sealed instrument.

TRUSTOR: Elizabeth Wallace, as her separate estate

x *Elizabeth Wallace* Title: _____

Print: Elizabeth Wallace Date: Oct. 19, 2018

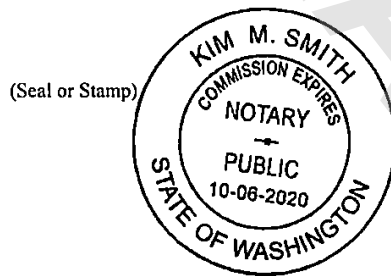
Notary Acknowledgement

State of Washington

County of Skagit

I certify that I know or have satisfactory evidence that Elizabeth Wallace is the person who appeared before me, and said person acknowledged that (he/she) signed this instrument and acknowledged it to be (his/her) free and voluntary act for the uses and purposes mentioned in the instrument.

Dated: OCTOBER 19, 2018



Kim M. Smith
(Signature)

notary
Title

My appointment expires 10-6-2020

The name, address and organizational identification number (if any) of Trustor (as Debtor under any applicable Uniform Commercial Code) are:

Debtor Name/Record Owner: Elizabeth Wallace
Debtor Address: 24594 Old Day Creek Rd. Sedro Woolley, WA 98284

The name and address of Beneficiary (as Secured Party) are:
Secured Party Name: Axos Bank, its Successors and or Assigns
Secured Party Address: 9205 West Russell Road, Suite 400, Las Vegas, NV 89148

The name and address of the Trustee (as Secured Party) are:
Trustee Name: (Trustee Name)
Trustee Chief Executive Office Address: (Trustee Address)

EXHIBIT A
DESCRIPTION OF THE LAND

PARCEL "A":

Lot 5, Block 1, "FIRST ADDITION TO THE PLAT OF MOUNTAIN VIEW", as per plat recorded in Volume 3 of Plats, Page 12, records of Skagit County, Washington.

PARCEL "B":

That portion of the South ½ of Government Lot 7, Section 1, Township 34 North, Range 4 East, W.M., described as follows:

Commencing at the point of intersection of the North line of said South ½ of Government Lot 7, with the East line of the right-of-way of the Northern Pacific Railway; thence East 62 feet; thence South 6° East, 190 feet to the true point of beginning of this description, said point being on the East marginal line of the County highway through the Town of Clear Lake; thence East 230 feet; thence South 48 feet; thence West 230 feet, more or less, to the East marginal line of said County highway; thence Northerly along the East line of said highway to the point of beginning; EXCEPT therefrom a strip of land approximately 27 feet wide off the East side of said premises, so that the East line of the above described tract running North and South will be parallel with the center of the alley now ending on the North line of the above described tract.

Commonly Known As: 12667 State Route 9, Mount Vernon, WA 98273

Parcel ID: P23327 (Parcel A)

Parcel ID: P74932 (Parcel B)