

**Prepared by, recording requested by,
and when recorded mail to:**

Point Digital Finance, Inc.
PO Box 192
Palo Alto, CA 94302
point.com

Option Agreement ID: 2026190-KIHAIJ

(Space Above for Recorder's Use)

Document Title(s):

1. Deed of Trust

Reference Number(s) of Documents assigned or released (if applicable):

Not applicable

Grantor(s):

1. SHANNON SCHMID
2. BRENDAN SCHMID
3. MICHELE DAVIS

Beneficiary:

1. Point Digital Finance, Inc., a Delaware corporation

Trustee:

1. First American Title Insurance Co.

Abbreviated Legal Description (lot, block and plat name, or section-township-range):

LT 60, PLAT OF SKAGIT HIGHLANDS DIV 3

[x] Complete legal description is on page 15 of document

Assessor's Property Tax Parcel Account Number:

P124593

"I am signing below and paying an additional \$50 recording fee (as provided in RCW 36.18.010 and referred to as an emergency nonstandard document), because this document does not meet margin and formatting requirements. Furthermore, I hereby understand that the recording process may cover up or otherwise obscure some part of the text of the original document as a result of this request."

Signature of Requesting Party

Note to submitter: Do not sign above nor pay additional \$50 fee if the document meets margin/formatting requirements



DEED OF TRUST

NOTICE: THIS DEED OF TRUST CONTAINS A SUBORDINATION CLAUSE WHICH MAY RESULT IN BENEFICIARY'S SECURITY OR OTHER INTEREST IN THE PROPERTY BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT.

This **DEED OF TRUST**, together with any riders hereto ("**Security Instrument**"), is made as of June 15, 2026 ("**Effective Date**"), among SHANNON SCHMID, BRENDAN SCHMID, and MICHELE DAVIS (each in his/her individual capacity and as grantor, individually or collectively, "**Owner**"), and First American Title Insurance Co. ("**Trustee**"), and Point Titling Trust, a Delaware statutory trust, as assignee beneficiary of Point Digital Finance, Inc., a Delaware corporation, and its successors and assignees ("**Beneficiary**").

The following riders are to be executed by Owner [check box as applicable]:

☐ Condominium Rider

☒ Planned Unit Development Rider

RECITALS

A. This Security Instrument is given in connection with the execution of that certain Point Digital Finance Option Purchase Agreement ("**Option Agreement**"), entered into by and between Owner and Beneficiary, pursuant to which Owner grants and conveys to Beneficiary the option to purchase ("**Option**") an undivided percentage interest (the "**HEI Percentage**") in that certain real property and improvements thereon in County of Skagit, State of Washington, as more particularly described in Schedule A attached hereto and incorporated herein by this reference, and commonly known as 522 RUBY PEAK AVE, MOUNT VERNON, WA 98273 ("**Real Property**"). The initial term of the Option shall commence on the Effective Date and shall expire on June 15, 2056. In exchange for granting the Option to Beneficiary, Beneficiary paid to Owner an Investment Amount amount equal to \$82,000.00.

B. Beneficiary desires to secure the rights granted to it in the Option Agreement and the performance of Obligations (hereinafter defined).

C. This Security Instrument is given pursuant to the Option Agreement, and payment, fulfillment, and performance of the obligations due under the Option Agreement are secured by this Security Instrument in accordance with the terms set forth herein.

D. Capitalized terms used in this Security Instrument shall have the meanings specified herein, or if not defined herein, in the Option Agreement. The Option Agreement and certain other ancillary documents (which documents, together with the Security Instrument, are



collectively termed the "**Option Documents**") are executed by Owner and Beneficiary concurrently herewith.

1. **Grant in Trust.** OWNER HEREBY IRREVOCABLY grants, transfers and assigns to Trustee, and its successors and assignees, a security interest, with power of sale, for the benefit of Beneficiary and its successors and assigns in and to the following property, rights, interests and estates now owned, or hereafter acquired by Owner (collectively, the "**Property**"):

a. **Real Property.** The Real Property together with all improvements, replacements and additions now or hereafter erected on the Real Property and all easements, appurtenances and fixtures now or hereafter a part of the Real Property.

b. **Leases and Rents.** All leases, subleases, subsubleases, lettings, licenses, concessions or other agreements (whether written or oral) pursuant to which any Person is granted a possessory interest in, or right to use or occupy all or any portion of the Real Property, and every modification, amendment or other agreement relating to such leases, subleases, subsubleases, or other agreements entered into in connection with such leases, subleases, subsubleases, or other agreements and every guarantee of the performance and observance of the covenants, conditions and agreements to be performed and observed by the other party thereto, heretofore or hereafter entered into, whether before or after the filing by or against Owner of any petition for relief under any Creditors Rights Laws (collectively, the "**Leases**") and all right, title and interest of Owner, its successors and assigns therein and thereunder, including, without limitation, cash or securities deposited thereunder to secure the performance by the lessees of their obligations thereunder and all rents, additional rents, rent equivalents, moneys payable as damages or in lieu of rent or rent equivalents, royalties (including, without limitation, all oil and gas or other mineral royalties and bonuses), income, receivables, receipts, revenues, deposits (including, without limitation, security, utility and other deposits), accounts, cash, issues, profits, charges for services rendered, and other consideration of whatever form or nature received by or paid to or for the account of or benefit of Owner or its agents or employees from any and all sources arising from or attributable to the Real Property, including, all receivables, customer obligations, installment payment obligations and other obligations now existing or hereafter arising or created out of the sale, lease, sublease, license, concession or other grant of the right of the use and occupancy of property or rendering of services by Owner and proceeds, if any, from business interruption or other loss of income insurance whether paid or accruing before or after the filing by or against Owner of any petition for relief under any Creditors Rights Laws (collectively, the "**Rents**") and all proceeds from the sale or other disposition of the Leases and the right to receive and apply the Rents to the payment of the Point Proceeds. As used herein, "**Creditors Rights Laws**" shall mean any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization, conservatorship, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to its debts or debtors.

c. **Insurance Proceeds.** All insurance proceeds in respect of the Real Property



under any insurance policies covering the Real Property, including, without limitation, the right to receive and apply the proceeds of any insurance, judgments, or settlements made in lieu thereof, for damage to the Real Property (collectively, the "**Insurance Proceeds**").

d. Condemnation Awards. All condemnation awards, including interest thereon, which may heretofore and hereafter be made with respect to the Real Property by reason of any taking or condemnation, whether from the exercise of the right of eminent domain (including, but not limited to, any transfer made in lieu of or in anticipation of the exercise of the right), or for a change of grade, or for any other injury to or decrease in the value of the Real Property (collectively, the "**Awards**").

CONDITIONS TO GRANT: TO HAVE AND TO HOLD the above granted and described Property unto and to the use and benefit of Beneficiary and its successors and assigns, forever, **WITH THE POWER OF SALE**, to secure Owner's payment to Beneficiary of the Point Proceeds and the performance of the Obligations at the time and in the manner provided in the Option Documents and this Security Instrument;

PROVIDED, HOWEVER, these presents are upon the express condition that, if Owner shall well and truly (a) pay to Beneficiary the Point Proceeds at the time and in the manner provided in the Option Agreement, this Security Instrument and the other Option Documents, (b) perform the Obligations as set forth in the Option Agreement, this Security Instrument and the other Option Documents, and (c) abide by and comply with each and every covenant and condition set forth in the Option Agreement, this Security Instrument and the other Option Documents, these presents and the estate hereby granted shall cease, terminate and be void; provided, however, that Owner's obligation to indemnify and hold harmless Beneficiary pursuant to the provisions hereof shall survive any such payment and release.

2. Secured Obligations.

a. Obligations. Owner makes the grant, transfer and assignment set forth in Section 1 above for the purpose of securing the following "**Obligations**":

- (1) the payment of the Point Proceeds;
- (2) all other obligations of Owner contained herein;
- (3) each obligation of Owner contained in the Option Agreement and any ancillary document;
- (4) each obligation of Owner contained in any renewal, extension, amendment, modification, consolidation, change of, or substitution or replacement for, all or any part of the Option Agreement;



(5) any expenditures made by Beneficiary pursuant to, or under, this Security Instrument; and

(6) payment of all fees and expenses (including, as allowed by applicable law, court and other dispute resolution costs, attorneys' and experts' fees and costs, and fees and disbursements of in-house counsel (collectively "**Attorneys' Fees**")) incurred by Beneficiary in the enforcement and collection of the obligations listed above and the protection of Beneficiary's rights related thereto, whether such fees are incurred in any state, federal or bankruptcy court or otherwise and whether or not litigation or arbitration is commenced. Attorneys' Fees shall include, Attorneys' Fees incurred in any state, federal or bankruptcy court, and in any bankruptcy case or insolvency proceeding, of any kind in any way related to this Security Instrument, to the interpretation or enforcement of the parties' rights under this Security Instrument, or to the Property.

b. Investment Amount. Owner shall not be obligated to repay any part of the Investment Amount (as such term is defined in the Option Agreement); and therefore, such item shall not be included within the Obligations. The foregoing shall not, however, in any way limit any payment calculated and agreed by Owner to be paid pursuant to the Option Agreement.

3. Uniform Commercial Code Security Agreement and Fixture Filing. This Security Instrument also is intended to be and shall constitute a security agreement under the Washington Uniform Commercial Code for any items of personal property that constitute fixtures or are specified as part of the Property and that under applicable law may be subject to a security interest under the Washington Uniform Commercial Code. Owner hereby grants to Beneficiary a security interest in those items to secure the performance and payment of the Obligations.

a. Owner agrees that Beneficiary may file either this Security Instrument, or a copy of it, or a UCC-1 Financing Statement in the real estate records or other appropriate index and/or in the Department of Licensing of the State of Washington, as a financing statement for any of the items specified above as part of the Property.

b. This Security Instrument constitutes a financing statement filed as a fixture filing pursuant to RCW 62A.9A-502(c) and RCW 62A.9A-514, and any similar or successor provisions.

c. Beneficiary may file such extensions, renewals, amendments and releases as are appropriate to reflect the status of its security interest.

d. Owner shall pay all costs of filing such financing statements and any extensions, renewals, amendments, and releases of such statements, and shall pay all reasonable costs and expenses of any record searches for financing statements that Beneficiary may reasonably require.



e. On any default hereunder, Beneficiary shall have the remedies of a secured party under the Washington Uniform Commercial Code and may also invoke the remedies in Section 7 below. In exercising any of these remedies, Beneficiary may proceed against the items of Real Property, fixtures or improvements separately or together and in any order whatsoever without in any way affecting the availability of Beneficiary's remedies under the Washington Uniform Commercial Code or the remedies in Section 7 below.

4. **Assignment of Leases and Rents.** Owner hereby absolutely and unconditionally assigns to Beneficiary and Trustee all of Owner's right, title and interest in and to all current and future Leases and Rents; it being intended by Owner that this assignment constitutes a present, absolute assignment and not an assignment for additional security only.

a. Owner hereby gives to, and confers upon, Beneficiary the right, power and authority, during the continuance of this Security Instrument, to collect the Rents, reserving unto Owner the right, prior to any default by Owner in payment of the Obligations secured hereby or in performance of any agreement hereunder, to collect and retain such Rents, as they become due and payable.

b. Upon any such default, Beneficiary may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the Obligations secured hereby, enter upon and take possession of the Property or any part of it, in its own name sue for or otherwise collect such Rents, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including Attorneys' Fees to the Obligations secured hereby, and in such order as Beneficiary may determine.

c. The entering upon and taking possession of the Property, the collection of such rents, issues and profits and the application of such rents, issues and profits pursuant to this Security Instrument, shall not cure or waive any default or notice of default under this Security Instrument or invalidate any act done pursuant to such notice.

d. Nothing in this section shall permit Owner to lease or rent the Property in contravention of any provision of the Option Agreement; nor shall anything in this section modify any provision in the Option Agreement relating to the use, lease or occupancy of the Property.

5. **Covenants of Owner Regarding the Property.** Owner hereby agrees as follows:

a. To appear in and defend any action or proceeding purporting to affect the security of this Security Instrument or the rights or powers of Beneficiary or Trustee; and to pay all costs and expenses of Trustee and Beneficiary (including cost of evidence of title and Attorneys' Fees) incurred: (i) in any state, federal or bankruptcy court, in any action or proceeding in which Beneficiary or Trustee may appear, and in any suit brought by Beneficiary



to foreclose this Security Instrument or to collect the Obligations or to protect Beneficiary's rights under this Security Instrument; and/or (ii) in connection with the enforcement of any provisions of this Security Instrument or in connection with foreclosure upon the collateral granted under this Security Instrument (whether or not suit is filed).

b. To pay at least ten days before delinquency all taxes and assessments affecting the Property; and all encumbrances, charges and liens, with interest, on the Property (or any part of the Property), which are prior or could obtain priority to the lien or to the rights granted under this Security Instrument, and all costs, fees and expenses of this Security Instrument.

(1) If Owner fails to make any payment or to do any act as provided in this Security Instrument, Beneficiary or Trustee may (but shall not be obligated to) make the payment or do the act in the required manner and to the extent deemed necessary by Beneficiary or Trustee to protect the security for this Security Instrument, which payments and related expenses (including Attorneys' Fees) shall also be secured by this Security Instrument.

(2) Such performance by Beneficiary or Trustee shall not require notice to, or demand on, Owner and shall not release Owner from any obligation under this Security Instrument.

(3) Beneficiary or Trustee shall have the following related rights and powers: (A) to enter upon the Property for the foregoing purposes, (B) to appear in and defend any action or proceeding purporting to affect the Property or the rights or powers of Beneficiary or Trustee under this Security Instrument, (C) to pay, purchase, contest or compromise any encumbrance, charge, or lien that in the judgment of Beneficiary or Trustee appears to be prior or superior to this Security Instrument, and (D) to employ counsel, and to pay such counsel necessary expenses and costs, including Attorneys' Fees.

c. To pay immediately upon demand all sums expended by Beneficiary or Trustee pursuant to this Security Instrument; and to pay interest on any of the foregoing amounts demanded by Beneficiary or Trustee at the rate specified in RCW 10.82.090 (or other applicable law) from the date of such demand, not to exceed the maximum rate allowed by law at the time of such demand.

6. **Power of Attorney.** Owner hereby irrevocably appoints Beneficiary as Owner's attorney-in-fact (such agency being coupled with an interest). As such attorney-in-fact Beneficiary may, after providing notice to Owner pursuant to the Option Agreement (without the obligation to do so) in Beneficiary's name, or in the name of Owner, prepare, execute and file or record financing statements, continuation statements, applications for registration and like documents necessary to create, perfect or preserve any of Beneficiary's security interests and rights in or to any of the Property, and, upon a default under this Security Instrument, take any other action required of Owner; provided, however, that Beneficiary as such attorney-in-fact shall be accountable only for such funds as are actually received by Beneficiary.



7. Default and Foreclosure and Power of Sale. Upon Owner's default under or breach of any of the rights and Obligations that are secured by this Security Instrument as specified above, Beneficiary may declare all performance and sums secured by this Security Instrument immediately due by delivery to Trustee and to Owner of written declaration of default. Beneficiary shall give notice of default to Owner prior to acceleration following Owner's breach of any covenant or agreement in this Security Instrument. The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to Owner, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the performance secured by this Security Instrument and sale of the Property. The notice shall further inform Owner of the right to cure after acceleration and the right to bring an action to assert the non-existence of a default or any other defense of Owner to acceleration and sale. If the default is not cured on or before the date specified in the notice, Beneficiary at its option may require immediate performance in full of all obligations secured by this Security Instrument without further demand and may invoke the power of sale and any other remedies permitted by applicable law. Beneficiary shall be entitled to collect all expenses incurred in pursuing the remedies provided herein, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

If Beneficiary invokes the power of sale, Beneficiary shall execute or cause Trustee to execute a written notice of Beneficiary's election to cause the Property to be sold as prescribed by applicable law. Trustee shall cause this notice to be recorded in each county in which any part of the Property is located. Beneficiary or Trustee shall mail copies of the notice as prescribed by applicable law to Owner and to the other persons prescribed by applicable law. Trustee shall give public notice of sale to the persons and in the manner prescribed by applicable law. Beneficiary also shall deposit with Trustee this Security Instrument, the Option Agreement, and all documents evidencing any expenditures and damages secured by this Security Instrument.

After the time required by applicable law, Trustee, without demand on Owner, shall sell the Property at public auction to the highest bidder at the time and place and under the terms designated in the notice of sale in one or more parcels and in any order Trustee determines. Trustee may postpone sale of all or any parcel of the Property by public announcement at the time and place of any previously scheduled sale.

Trustee shall deliver to the purchaser its deed 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 their truthfulness. Any person, including Owner, Trustee, or Beneficiary as defined in this Security Instrument, may purchase at such sale.

a. After deducting all costs, fees and expenses (including Attorneys' Fees) of Trustee and of this Trust, including cost of evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment of: (i) to Beneficiary, all sums expended and performance



due under the terms of this Security Instrument, not then repaid, with accrued interest, if any, at the amount allowed by law in effect on the Effective Date of this Security Instrument; (ii) to Beneficiary, all other sums then secured hereby; and (iii) the remainder, if any, to the person or persons legally entitled thereto.

b. Notice provided to Owner under this Security Instrument shall be delivered to the address specified in Section 23 of this Security Instrument in accordance with the applicable terms and conditions of the Option Agreement unless otherwise required by applicable law.

c. Exercise of Beneficiary's remedies under this Security Instrument shall be in compliance with applicable law.

8. Liquidated Damages. Liquidated Damages means an amount equal to the sum of

a. the Point Proceeds as calculated pursuant to the Option Agreement;

b. in connection with Owner's failure to make any monetary payment, the sum of all monetary obligations (including, without limitation, all Preservation Payments) owed to Beneficiary by Owner under the Option Agreement; and

c. any and all amounts, properly chargeable to Owner as necessary to satisfy Owner's obligations under the Option Agreement with respect to Owner's mortgage, tax and insurance obligations on the Property, including late fees, reinstatement fees and other penalties.

9. Late Performance. By accepting performance of any obligation after its due date, Beneficiary does not waive its right either to require prompt performance when due of all other obligations or to declare default for such failure to perform.

10. Trustee's Powers. At any time or from time to time, without liability therefor upon written request of Beneficiary and presentation of this Security Instrument, and without affecting the personal liability of any person for the performance of the Option Agreement secured hereby, Trustee may: (a) reconvey any part of the Property; (b) consent to the making of any map or plat of the Property; (c) join in granting any easement thereon; and (d) join in any extension agreement or any agreement subordinating the lien or charge of this Security Instrument.

11. Substitution of Trustee. Beneficiary, or any successor in ownership of the Obligations, may from time to time, by instrument in writing, substitute a successor or successors to any Trustee named or acting under this Security Instrument, which instrument, when executed by the Beneficiary and duly acknowledged and recorded in the office of the recorder of the county or counties where the Property is situated, shall be conclusive proof of proper substitution of such successor Trustee or Trustees, who shall, without conveyance from Trustee's predecessor, succeed to all its title, estate, rights, powers and duties. Such instrument must contain the name of the original Owner, Trustee and Beneficiary under this Security



Instrument, the book and page where this Security Instrument is recorded, and the name and address of the new Trustee(s).

12. **Trustee's Compensation**. Owner shall pay Trustee's fees and reimburse Trustee for expenses in the administration of this Trust, including Attorneys' Fees.

13. **Full Reconveyance**. Upon written request of Beneficiary stating that all obligations have been performed or paid, and upon payment of its fees, Trustee shall reconvey, without warranty, the Property then held under this Security Instrument. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness of such recitals. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto."

14. **Successors**. This Security Instrument applies to, inures to the benefit of, and binds all parties to this Security Instrument, their heirs, legatees, devisees, administrators, executors, successors, and assignees. The term "Beneficiary" shall include any successor or assignee of Beneficiary's rights in the Option Agreement and in this Security Instrument, whether or not named as Beneficiary in this Security Instrument. In this Security Instrument, whenever the context so requires, the masculine gender includes the feminine and/or the neuter, and the singular number includes the plural.

15. **Joint and Several Liability**. If more than one person signs this Security Instrument as Owner, the obligations of each signatory shall be joint and several.

16. **Multiple Owners**. If there are multiple Owners of the Property:

- a. this Security Instrument must be signed by each such Owner;
- b. all rights and powers specified for Owner in this Security Instrument must be approved and exercised unanimously by all such multiple Owners;
- c. all such multiple Owners shall be jointly and severally liable for all liabilities and obligations specified for Owner under this Security Instrument;
- d. notice required to be given by, or to, Owner will be deemed adequately given if given by, or to, any of Owners using the contact information set forth in Section 23 of this Security Instrument; and
- e. Beneficiary may treat any notice received from any one Owner as notice from all Owners.

17. **Revocable Trust**. If any Owner is/are the trustee(s) of a Revocable Trust (as defined in the Option Agreement):



a. all trustees of the Revocable Trust and all individuals having the power to revoke the Revocable Trust (referred to herein as "owners of the Revocable Trust") must sign this Security Instrument in their respective capacities as trustees and/or owners of the Revocable Trust, and each trustee and owner of the Revocable Trust who signs this Security Instrument hereby represents and warrants that all trustees and owners of the Revocable Trust have been disclosed to Beneficiary;

b. any trustee of the Revocable Trust who is also an owner of the Revocable Trust need only sign this Security Instrument once for it to be binding on such person both as trustee and as owner of the Revocable Trust;

c. all rights and powers specified for, and all actions required of, Owner in this Security Instrument must be approved and exercised unanimously by all trustees of the Revocable Trust;

d. all trustees and all owners of the Revocable Trust shall be jointly and severally liable for all liabilities and obligations specified for Owner under this Security Instrument;

e. all representations and warranties by Owner in this Security Instrument are made by all trustees of the Revocable Trust on behalf of the Revocable Trust and by all owners of the Revocable Trust;

f. notice required to be given by, or to, any Owner will be deemed adequately given if given by, or to, any of the trustees of the Revocable Trust using the contact information set forth in Section 23 of this Security Instrument; and

g. Beneficiary may treat any notice received from any one trustee of the Revocable Trust as notice from all trustees of the Revocable Trust and from Owner.

18. **Acceptance by Trustee.** Trustee accepts this Trust when this Security Instrument, duly executed and acknowledged, is made a public record as provided by law.

19. **Extent of Lien.** The lien granted under this Security Instrument shall encumber Owner's entire interest in the Property, notwithstanding the fact that the Option Agreement relates to only a fractional interest in the Property.

20. **No Merger.** So long as any of the obligations under the Option Agreement remains outstanding and undischarged, unless Beneficiary otherwise consents in writing, the fee estate of Owner in the Property or any part thereof (including the estate of Beneficiary after exercising the Option) will not merge, by operation of law or otherwise, with any other estate in the Property or any part of it, but will always remain separate and distinct, notwithstanding the union of the fee estate and such other estate in Beneficiary or in any other Person.



21. Use of Property. The Property is not used principally for agricultural purposes.

22. Notice of Option Purchase Agreement. Owner hereby provides notice that Owner and Beneficiary have entered into the Option Agreement, as more particularly described in Schedule B attached hereto and incorporated herein by this reference as if set forth in full. The Option Agreement contains certain covenants and promises to or for the benefit of Beneficiary. The Option Agreement is irrevocable by Owner and expires on June 15, 2056. Every person or entity who now or hereafter owns or acquires any right, title or interest in or to any portion of the Property is and shall be conclusively deemed to have consented and agreed to every restriction, provision, covenant, right and limitation contained in the Option Agreement, whether or not such person or entity expressly assumes such obligations or whether or not any reference to the Option Agreement is contained in the instrument conveying such interest in the Property to such person or entity.

23. Notices. All notices or other written communications hereunder shall be delivered in accordance with the applicable terms and conditions of the Option Agreement. Notices shall be sent to the address of the other party listed below as follows, unless a party has been notified by the other party in writing of a substitute address:

POINT: Point Digital Finance, Inc. PO Box 192 Palo Alto, CA 94302 <u>Personal or Overnight Delivery:</u> Point Digital Finance, Inc. Attn: Chief Executive Officer - NOTICES 444 High Street, 4th Floor Palo Alto, California 94301 Fax: 650-434-3778 Email: notices@point.com	OWNER: BRENDAN SCHMID AND SHANNON SCHMID AND MICHELE DAVIS 522 RUBY PEAK AVE MOUNT VERNON, WA 98273 TRUSTEE: First American Title Insurance Co. 818 Stewart Street, Suite 800 Seattle, WA 98101
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Do not lose or destroy this Security Instrument or the Option Agreement that it secures. All must be delivered to Trustee for cancellation before reconveyance will be made.

[Signatures on Following Page]



READ THIS DOCUMENT CAREFULLY BEFORE SIGNING IT. ALL PRIOR ORAL, ELECTRONIC AND WRITTEN COMMUNICATIONS AND AGREEMENTS FROM OR WITH BENEFICIARY, INCLUDING ALL CORRESPONDENCE, OFFER LETTERS, PRINTED MATERIALS, AND DISCLOSURES, ARE MERGED INTO AND SUPERSEDED AND REPLACED BY THIS SECURITY INSTRUMENT, THE OPTION AGREEMENT AND OPTION DOCUMENTS, AND THE OTHER WRITTEN AGREEMENTS MADE BY AND BETWEEN OWNER AND BENEFICIARY AS OF THE EFFECTIVE DATE.

IN WITNESS WHEREOF, each undersigned Owner has executed this Security Instrument as of the date set forth above.

OWNER(S):

By:  Date: 6-15-2026
SHANNON SCHMID

By:  Date: 6-15-26
BRENDAN SCHMID

By:  Date: 6-15-2026
MICHELE DAVIS

Individual Loan Originator: Allycia Coleman, NMLS ID 1993988, State ID MLO-1993988

Loan Originator Organization: Point Digital Finance, Inc., NMLS ID 1610752, State ID CL-1610752



ACKNOWLEDGMENT

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

State of Washington)
County of Skagit) §

On 6-15-26,

before me, Jennifer Brazil, Notary Public,

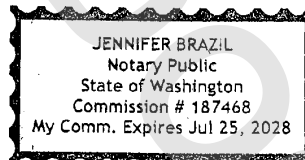
personally appeared Shannon Schmid,
^{for} Brand Brendan Schmid and
Michele Davis

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 WA that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.


(Signature of Notary)



(Seal of Notary)



SCHEDULE A**LEGAL DESCRIPTION**

SITUATED IN THE COUNTY OF Skagit AND STATE OF WA, CITY OF MOUNT VERNON.

Lot 60, plat of SKAGIT HIGHLANDS DIVISION 3, according to the plat thereof, recorded under auditor's File No.

200605150163, records of Skagit County, Washington.

APN: P124593

[end of legal description]



SCHEDULE B**NOTICE OF OPTION**

This Notice of Option ("**Option Notice**") provides notice of that certain Option Agreement entered into as of June 15, 2026 ("**Effective Date**"), by and between BRENDAN SCHMID AND SHANNON SCHMID AND MICHELE DAVIS and Beneficiary, and supplements the Security Instrument of the same date between the same parties. Capitalized terms used in this Option Notice shall have the meanings specified herein, or if not defined herein, in the Option Agreement or the Security Instrument.

RECITALS

1. Owner hereby declares that as of the Effective Date, Owner and Beneficiary have entered into that certain unrecorded Point Digital Finance Option Purchase Agreement ("**Option Agreement**"), which is hereby incorporated into this Option Notice as if set forth in full, pursuant to which Owner grants and conveys to Beneficiary the option to purchase ("**Option**") an undivided percentage interest (the "**HEI Percentage**") of fee simple title ownership in the Property. In exchange for granting the Option to Beneficiary, Beneficiary paid to Owner an Investment Amount equal to **\$82,000.00**. The Option is irrevocable by Owner and expires on **June 15, 2056**.

2. Pursuant to the Option Agreement, Owner has made certain covenants and promises to, or for the benefit of, Beneficiary in connection with the Property, all as more particularly described, and on the terms and conditions stated in the Option Agreement.

3. Owner has executed this Option Notice to give notice of the Option Agreement and certain rights and responsibilities of Owner as to the Beneficiary, as well as the covenants and promises set forth in the Option Agreement that run with the land and will be binding upon any party who acquires Owner's interest in the Property so long as the Option Agreement has not expired or been terminated.

TERMS

A. Notice. Every person or entity who now or hereafter owns or acquires any right, title or interest in or to any portion of the Property is and shall be conclusively deemed to have consented and agreed to every restriction, provision, covenant, right and limitation contained in the Option Agreement and this Option Notice, whether or not such person or entity expressly assumes such obligations or whether or not any reference to the Option Agreement or this Option Notice is contained in the instrument conveying such interest in the Property to such person or entity.

B. Covenants. The Option Agreement covenants are deemed to be covenants running with the land, so as to give it the broadest possible application, and include, without limitation:

1. restrictions on Owner's right to transfer the Property without giving prior written



notice to the Beneficiary and requirements that Owner comply with specific sale procedures set forth in the Option Agreement;

2. requirements that Owner maintain insurance on the Property against certain hazards and risks;
3. restrictions on Owner's ability to increase the amount of debt to third parties secured by liens on the Property as specified in the Option Agreement;
4. requirements that Owner keep the Property free of liens not approved by Beneficiary; and
5. requirements that Owner protect and maintain the Property.



Option Agreement ID: 2026190-KIHAI

Planned Unit Development Rider

THIS PLANNED UNIT DEVELOPMENT RIDER is entered into as of June 15, 2026, and is incorporated into and shall be deemed to amend and supplement the Point Digital Finance Option Purchase Agreement that is entered into as of the same date by and between MICHELE DAVIS, BRENDAN SCHMID, SHANNON SCHMID and Point Digital Finance, Inc., a Delaware corporation (the "**Option Agreement**") with respect to that certain real property and improvements thereon commonly known as 522 RUBY PEAK AVE, MOUNT VERNON, WA 98273. "**We**", "**us**", "**our**" and "**Point**" refer to Point Digital Finance, Inc. and its successors and assigns. "**You**", "**your**" and "**Owner**" refer to BRENDAN SCHMID AND SHANNON SCHMID AND MICHELE DAVIS and Owner's heirs and permitted assigns under the Option Agreement. Capitalized terms used but not defined in this PUD Rider shall have the meanings set forth in the Option Agreement.

Recital

This PUD Rider is being entered into in connection with the Option Agreement because the Property (as defined below) is part of a planned unit development known as SKAGIT HIGHLANDS (the "**PUD**"). The Property also includes Owner's interest in the homeowners association or equivalent entity owning or managing the common areas and facilities of the PUD (the "**Association**") and the uses, benefits and proceeds of Owner's interest.

Agreement

In addition to the covenants and agreements made in the Option Documents, Point and Owner further covenant and agree as follows:

1. Definitions. The following new or modified definitions shall apply to the PUD Rider and the Option Agreement:

Agreement. Shall be as defined in the Option Agreement and shall also include this PUD Rider.

Governing Documents. The governing documents of the PUD and the Association, including (a) declaration of covenants, conditions and restrictions or any other document that creates the PUD; (b) by-laws; (c) code of regulations; and (d) other equivalent documents, as each may be in effect from time to time.

Option. The Option means an exclusive and irrevocable option to purchase (a) an undivided percentage interest of fee simple title ownership in and to the Owner's parcel of land improved with a dwelling ("**Owner's Home**"), and (b) a right or easement to use any other parcels and common areas and facilities of the PUD as further described in the Governing Documents (the "**Common Elements**").

Option Documents. Shall be as defined in the Option Agreement and shall also include this PUD Rider.

Owner. In the case of a Property that is part of a PUD, as of the Effective Date, an Owner shall be all of the persons or entities, individually and collectively, who appear on the record title to the Property as holding fee simple title to 100% of Owner's Home and the respective right or easement to use the Common Elements by virtue of being a member of the Association.

Permitted Encumbrances. Permitted Encumbrances shall be as defined in the Option Agreement and shall include easements, equitable servitudes, and other conditions, covenants,



restrictions and rights to which the Property is subject at the time the Option Documents become effective.

Property. The Property shall be as defined in the Option Agreement and shall mean, collectively, Owner's Home and Owner's right or easement to use the Common Elements by virtue of being a member of the Association.

2. Compliance with Governing Documents. You agree to perform all of your obligations under the Governing Documents and to promptly pay, when due, all dues and assessments imposed pursuant to the Governing Documents.

3. Option Grant Closing. In addition to the items listed in the Option Agreement to be delivered as part of the Option Grant Closing, you shall deliver the following documents to escrow prior to or as part of the Option Grant Closing: Governing Documents.

4. Property Insurance. The insurance obligations that you have under the Option Agreement will be in addition to any insurance obligations or restrictions that you may have under the Governing Documents. In addition, you will have the following additional insurance obligations:

- (a) You shall take such actions as may be reasonable to insure that the Association (i) maintains a public liability insurance policy, with a generally accepted insurance carrier, in the amount, and with extent of coverage as would be common for similar planned unit developments in similar locations to your PUD, and (ii) maintains, with a generally accepted insurance carrier, a "master" or "blanket" policy on the Common Elements which provides insurance coverage in the amounts (including deductible levels), for the periods, and against loss by fire, hazards included within the term "extended coverage," and any other hazards, including, but not limited to, earthquakes and floods, as would be common for similar planned unit developments in similar locations to your PUD.
- (b) You shall give us prompt notice of any lapse in required property insurance coverage by the Association.

5. Obligation to Provide Information to Point. In addition to any other information that you are required to provide us under the Option Agreement, you shall promptly provide us (a) a copy of any notice of delinquency or similar document that you might receive from the Association to collect Association dues or assessments that you owe; (b) any notice to Owner that the Association intends to put a lien on Owner's Home for delinquent dues or assessment or other permitted reasons under the Governing Documents; (c) any amendments to or restatements of the Governing Documents; (d) notice of any vote taken by the members of the Association to terminate professional management of, and assume self-management of, the Association; or (e) notices of any legal proceedings affecting the PUD or the Association which have been delivered to you. Furthermore, you will promptly and accurately respond to requests for information received from Point during the Term, such as questionnaires regarding current Association dues.

6. Preservation Payments. The Preservation Payments payable under the Option Agreement shall include payments related to any late Association dues or assessments.

7. Repair and Restoration. Section 4.4.1 (Repair and Restoration) of the Option Agreement shall be amended and restated in its entirety as set forth below:



If the Property is destroyed or damaged in any material manner, you shall restore or repair Owner's Home, and you shall take any other action to ensure that the Association restores and repairs the Common Elements, to at least the same condition and characteristics as of the time immediately preceding such destruction or damage, subject to all applicable local ordinances and the Governing Documents. Except to the extent you are required to take other action in connection with Senior Liens on the Property or pursuant to the Governing Documents, you shall apply any and all insurance proceeds (whether or not the underlying insurance was required by us and including any proceeds directed to you from the Association) to such restoration or repair. If the insurance proceeds are insufficient to complete the restoration or repair of Owner's Home, you shall be responsible for any shortfall. For the avoidance of doubt, you will not be responsible for any shortfalls resulting from the negligence, failure to act or malfeasance by the Association in applying insurance proceeds with respect to restoration or repair of the Common Elements. We shall have no responsibility or obligation to pay any amount whatsoever in connection with the restoration or repair of the Property.

8. Allocation Where Repair Not Feasible. Section 4.4.2 (Allocation Where Repair Not Feasible) of the Option Agreement shall be amended and restated in its entirety as set forth below:

If any loss occurs in connection with the Property, and restoration or repair is not economically feasible, you shall obtain an Appraisal, provided that the appraiser shall be instructed to determine the value of the Property as it existed immediately prior to the destruction or damage. Any and all insurance proceeds, whether or not the underlying insurance was required by us, will be allocated in the following order: (a) to payment (or reimbursement) of reasonable costs and expenses (including, without limitation, attorneys' fees that have been approved by us) reasonably incurred by you, the Association, a senior lender and/or Point in collecting and contesting with the insurers the payments under the relevant insurance policies; (b) to payment of all Senior Loans, provided that, if the insurance proceeds equal or exceed the amount owed under such Senior Loans, such payment shall result in the discharge of the related Senior Liens; (c) to the Association as provided in the Governing Documents; (d) to us, an amount calculated according to the Calculation of Point Proceeds set forth in Schedule 2 of the Option Agreement; and (e) to you, the balance of the proceeds.

9. Failure to Maintain Adequate Insurance. Section 4.4.3 (Failure to Maintain Adequate Insurance) of the Option Agreement shall be amended and restated in its entirety as set forth below:

If (a) you fail to maintain insurance (excluding insurance to be carried by the Association) in amounts required by Section 4.1.1 of the Option Agreement, you fail to take actions required under Section 4 of the PUD Rider with respect to insurance to be carried by the Association, or any insurance claim is denied due to your action or inaction, and (b) the insurance proceeds from any loss are not sufficient to pay to us the entire amount owed as set forth in Section 4.4.2 of the Option Agreement, then there shall be an Exercise Payment Insurance Reduction proportional to the decrease in the Property's value as compared to the Appraised Value of the Property immediately prior to the destruction or damage. In this case, we may exercise the Option (if we have not already done so) and sell the Property in its then-current state according to the procedure set forth in Section 2.3 of the Option Agreement, except that the Exercise Payment shall be reduced because of the added economic burden and risk imposed on Point by virtue of your failure. The Exercise Payment Insurance Reduction shall be taken into account in the calculation of Point Proceeds. The proceeds of any sale pursuant to Section 4.4.3 of the Option Agreement, together with any and all available proceeds from any and all insurance policies (whether or not the underlying insurance was required by us or whether the insurance proceeds come from the insurance maintained by the Association), will be allocated as described in Section 4.4.2 of the Option Agreement.



10. Capacity; Authority. The first two sentences of Section 5.2 (Capacity; Authority) of the Option Agreement shall be amended and restated in their entirety as set forth below:

You represent and warrant that you, as the Owner(s) identified above, individually and collectively, appear on record title of the Property as holding fee simple title to 100% of Owner's Home and are a member of the Association (as defined in the PUD Rider) which gives you a right or easement to use the Common Elements of the Property. Other than as provided in the Governing Documents, your fee simple title to the Property is marketable and insurable, free of restrictions, leases, liens and other encumbrances or interests, and except as specifically identified in the Confirmation of Title delivered to Point, except with respect to Acknowledged Pre-Existing Liens and Approved Subsequent Liens.

11. Documentation and Information Supplied by Owner; Financial Condition of Owner. In addition to the documentation and information described in Section 5.6 of the Option Agreement, you are also required to supply to us any documents that you would be required to provide before a transfer of title or execution of a real property sales contract pursuant to the Governing Documents. Without limiting the foregoing, such documents and information shall include: (a) copy of the Governing Documents; (b) copy of the Association's legally-required, most recent financial statement, if applicable; (c) statement from authorized representative of the Association regarding any assessments; and (d) copy of any notices previously sent to you from the Association regarding any violation by you of the Governing Documents which remains unresolved.

12. Conflict; Enforceability. You represent and warrant that the execution and delivery of the Option Documents, the incurrence of the obligations set forth in the Option Documents, the consummation of the transactions contemplated by, or compliance with the terms of the Option Documents, will not conflict with, or result in a breach of, any of the terms, conditions or provisions of, or constitute a default under, the Governing Documents.

13. Events of Default. In addition to the Events of Default listed in Section 6.1 of the Option Agreement, each of the following shall constitute an Event of Default under the Option Documents, in Point's sole discretion: (a) failing to pay any Association due or assessment when due; (b) if the Association provides notice to you that it intends to put a lien on Owner's Home for delinquent dues or assessment of other permitted reasons under the Governing Documents; and (c) your material violation or breach of the Governing Documents.

14. No Third-Party Beneficiaries. For clarification purposes, the Association shall not be a third-party beneficiary of the Option Documents and the Association shall not have any rights or causes of action under the Option Documents.

15. Point's Prior Consent. You shall not, except after notice to us and with our prior written consent, consent to (a) the abandonment or termination of the PUD, except for abandonment or termination required by law in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain or (b) termination of professional management and assumption of self-management of the Association.

16. PUD Rider Controls. In the event of any conflict between a provision of this PUD Rider and the Option Documents, the terms of this PUD Rider shall control.

[Signatures on Following Pages]



IN WITNESS WHEREOF, intending to be legally bound, the parties have executed this PUD Rider as of the date first referenced above.

OWNERS:

Shannon Schmid Date: 6-15-2026
SHANNON SCHMID
Brendan Schmid Date: 6-15-26
BRENDAN SCHMID
Michele Davis Date: 6-15-2026
MICHELE DAVIS



ACKNOWLEDGMENT

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

State of Washington)
County of Skagit)§

On 6-15-26,

before me, Jennifer Brazil, Notary Public,

personally appeared Shannon Schmid,

Brendan Schmid and

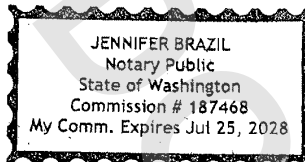
Michele Davis,

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 WA
that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.


(Signature of Notary)



(Seal of Notary)

