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8 SUPERIOR COURT OF WASHINGTON FOR CLARK COUNTY

9 In re:

10 AMERICAN EAGLE MORTGAGE 100,  
11 LLC; AMERICAN EAGLE MORTGAGE  
12 200, LLC; AMERICAN EAGLE  
13 MORTGAGE 300, LLC; AMERICAN  
14 EAGLE MORTGAGE 400, LLC;  
15 AMERICAN EAGLE MORTGAGE 500,  
16 LLC; AMERICAN EAGLE MORTGAGE  
17 600, LLC; AMERICAN EAGLE  
18 MORTGAGE MEXICO 100, LLC;  
19 AMERICAN EAGLE MORTGAGE  
20 MEXICO 200, LLC; AMERICAN EAGLE  
MORTGAGE MEXICO 300, LLC;  
AMERICAN EAGLE MORTGAGE  
MEXICO 400, LLC; AMERICAN EAGLE  
MORTGAGE MEXICO 500, LLC;  
AMERICAN EAGLE MORTGAGE  
MEXICO 600, LLC; AMERICAN EAGLE  
MORTGAGE I, LLC; AMERICAN EAGLE  
MORTGAGE II, LLC; and AMERICAN  
EAGLE MORTGAGE SHORT TERM, LLC.

Case No. 19-2-01458-06

DECLARATION OF HANNAH SCHMIDT IN  
SUPPORT OF RECEIVER’S MOTION TO  
APPROVE SETTLEMENT AGREEMENTS  
WITH PACIFIC PREMIER BANK AND  
RIVERVIEW BANK AND GRANT  
RELATED RELIEF

DATE: August 18, 2023  
TIME: 9:00 a.m.  
JUDGE: David E. Gregerson  
PLACE: Department No. 2

21

I, Hannah Schmidt, state and declare as follows:

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I am the Case Manager for Clyde A. Hamstreet & Associates, LLC in its capacity as the duly appointed general receiver (the “Receiver”) in the above-captioned receivership proceeding for the 15 entities listed in the caption (collectively, the “Pools”). I am a citizen of the United States, over the age of 18 years, and competent to testify herein. I make this declaration

1 from my own personal knowledge in support of the Receiver’s Motion to Approve Settlement  
2 Agreements with Pacific Premier Bank and Riverview Bank and Grant Related Relief (the  
3 “Motion”).

4 2. On May 10, 2019, the Receiver was appointed to serve as the general receiver for  
5 the Pools with all powers afforded a receiver under the laws of the State of Washington pursuant  
6 to this Court’s Order Appointing General Receiver (the “Receivership Order”). As part of that  
7 appointment, the Court granted the Receiver exclusive authority over all of the Pools’ assets,  
8 wherever located, and all business operations of the Pools. The Receiver’s powers under the  
9 Receivership Order include the right to assert any rights, claims, and interests of the Pools.

10 3. Pursuant to the terms of the Receivership Order, the Receiver provided notice of  
11 this receivership proceeding to all creditors of the Pools, including all investors that purchased  
12 promissory notes from the Pools. On May 22, 2019, the Receiver mailed the Notice of  
13 Receivership and Claims Bar Date (the “Receivership Notice”), along with a proof of claim  
14 form, to all parties on the master mailing list, which advised creditors of the deadline to file  
15 proofs of claim.

16 4. On various dates between June 3, 2019, and August 22, 2019, the Receiver also  
17 caused the Receivership Notice to be published in the counties where the Pools owned real  
18 property. Specifically, as set forth in the Receiver’s March 5, 2021, Notice of Filing of Affidavits  
19 of Publication of Notice of Receivership and Claims Bar Date filed in this receivership  
20 proceeding, the Receiver provided notice of the receivership in 36 newspapers or other  
21 publications within Alaska, Arizona, California, Colorado, Nevada, New Mexico, Oregon,  
22 Texas, and Washington.

23 5. On November 22, 2019, based on findings that the Pools were operated by the  
24 Pools’ managers as part of a Ponzi-like scheme, this Court entered an Order Consolidating  
25 Receivership Estates in which the estates of the Pools were consolidated into a single Estate for  
26

1 the purposes of administering and distributing all property of the Pools' estates in this  
2 receivership proceeding.

3 6. As of May 28, 2021, the Receiver received proofs of claim of creditors reflecting  
4 245 discrete claims arising from investments in promissory notes issued by the Pools  
5 (collectively, the "Investors").<sup>1</sup> These claims represent the entirety of the promissory note-based  
6 claims against the Pools. The book value of the Investors' claims is \$64,435,084.41 in the  
7 aggregate. The Receiver then determined the allowed amounts of the Investors' claims using the  
8 money-in and money-out ("MIMO") method, with this Court's approval on July 2, 2021, in the  
9 aggregate amount of \$16,712,302.56. On September 21, 2021, the Court entered another order  
10 increasing the allowed amount of one of the Investors' MIMO claims by \$3,588.00, bringing the  
11 aggregate amount of Investors' MIMO claims to \$16,715,890.00. The Receiver made an initial  
12 pro rata distribution of \$2,946,978.67 to the Investors on the allowed MIMO claims.<sup>2</sup>

13 7. On December 2, 2022, the Court approved a reduction in the allowed amounts of  
14 MIMO claims held by Investors based on estimated recoveries from settlements with Davis  
15 Wright Tremaine LLP in the Anderson Litigation and the Beattie Litigation (each as defined  
16 below). The aggregate amount by which the MIMO claims of these Investors was reduced is  
17 \$2,962,000.00. The Receiver made a second pro rata distribution to the Investors on the revised  
18 allowed claims and Babeckos on its unsecured claim in the amount of \$1,200,000.00. The  
19 remaining amount of unpaid MIMO claims of the Investors and the unsecured claim of Babeckos  
20 presently is \$12,477,862.05 (assuming the Court reverses the December 2, 2022, reduction in  
21 allowed MIMO claims held by Investors involved in the Anderson Litigation and the Beattie  
22 Litigation).

23  
24 <sup>1</sup> See Receiver's Motion (1) to Fixed Allowed Amounts of Investor Claims and (2) For Authorization to Make  
Interim Distribution on Allowed Investor Claims.

25 <sup>2</sup> By Order dated October 8, 2021, the Court also allowed an unsecured claim of \$4,225.00 for Babeckos Portland  
26 Moorage ("Babeckos"), which is not an Investor, with the same priority as MIMO claims. Its first distribution was  
\$744.86.

1           8.       To date, the Investors have received a total of \$4,146,626.42 from the Receiver  
2 for their participation in this receivership proceeding.<sup>3</sup>

3           9.       On February 19, 2020, after months of diligent investigation, the Receiver filed  
4 the adjunct litigation *Clyde A. Hamstreet & Associates, LLC v. American Equities Inc. et al.*,  
5 Case No. 20-2-00507-06 (the “Adjunct Litigation”), asserting claims against American Equities,  
6 Inc., American Eagle Mortgage Management, LLC, Ross Miles and Beverly Miles, and Maureen  
7 Wile and Robert Wile (collectively, the “AEI Defendants”). The Receiver amended its complaint  
8 on August 28, 2020, to assert claims against Pacific Premier Bank (“Pacific Premier”) for  
9 negligence, aiding and abetting breaches of fiduciary duties, and breaches of fiduciary duties  
10 based on its alleged participation in or assistance to the alleged Ponzi scheme. The Receiver  
11 amended its complaint a second time on January 12, 2022, asserting claims against Riverview  
12 Bank (“Riverview,” and together with Pacific Premier, the “Bank Defendants”) under the  
13 Uniform Fraudulent Transfer Act and for negligence, aiding and abetting breaches of fiduciary  
14 duties, and breaches of fiduciary duties. Both Bank Defendants deny that they are liable for any  
15 of those claims and have asserted numerous defenses to each of those claims.

16           10.      The Receiver and the Bank Defendants have vigorously litigated the merits of the  
17 Receiver’s claims asserted in the Adjunct Litigation, including significant motion practice, the  
18 exchange of over 700,000 pages of discovery, and over 20 depositions. Each of the Parties also  
19 prepared and served detailed expert reports pertaining to both liability and damages.

20           11.      On February 28, 2023, both Bank Defendants moved for summary judgment in  
21 the Adjunct Litigation seeking dismissal of all the Receiver’s claims against them. On March 28,  
22 2023, this Court held a hearing on the Bank Defendants’ motions for summary judgment. The  
23 Court denied the Bank Defendants’ motions as to the claims against them for aiding and abetting  
24 breaches of fiduciary duty and for negligence and granted the motions as to all other claims. At  
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26           <sup>3</sup> Babeckos has received \$1,097.11 on its unsecured claim.

1 the conclusion of that hearing, the Court encouraged the Parties to attempt to resolve the Adjunct  
2 Litigation with the assistance of a capable commercial mediator, noting that the Court considered  
3 the matter a very close case in terms of both liability and damages.

4 12. Following the summary judgment hearing, the Court set June 2, 2023, for a final  
5 pre-trial conference before a three-week jury trial to begin on June 12, 2023.

6 13. On April 27, 2023, Pacific Premier and the Receiver participated in mediation  
7 with The Honorable Michael Hogan, former district court judge for the U.S. District Court for  
8 the District of Oregon. Although they did not settle that day, the Receiver and Pacific Premier  
9 continued to engage in extensive, arms'-length negotiations before reaching an agreement in  
10 principle on May 3, 2023.

11 14. On May 8, 2023, Riverview and the Receiver participated in mediation with Chris  
12 Kent, a highly experienced and well-respected Portland, Oregon, commercial mediator. Although  
13 they did not settle that day, the parties continued to engage in extensive, arms'-length  
14 negotiations before reaching an agreement in principle on May 17, 2023.

15 15. Effective as of June 23, 2023, Pacific Premier and the Receiver executed a formal  
16 settlement agreement, a copy of which is attached hereto as Exhibit 1, memorializing the terms  
17 of the settlement with Pacific Premier (the "Pacific Premier Agreement").

18 16. Likewise, effective as of June 23, 2023, Riverview and the Receiver executed a  
19 formal settlement agreement, a copy of which is attached hereto as Exhibit 2, memorializing the  
20 terms of the settlement with Riverview (the "Riverview Agreement," and together with the  
21 Pacific Premier Agreement, the "Bank Settlement Agreements").<sup>4</sup>

22 17. Under the terms of the Bank Settlement Agreements, Pacific Premier and  
23 Riverview will each pay \$9.5 million for a total of \$19 million (the "Settlement Payments") to  
24 the Receiver. These Settlement Payments will enable the Receiver to seek to restore the reduced  
25

26 <sup>4</sup> Terms used in this declaration that are defined in the Bank Settlement Agreements, unless expressly otherwise defined herein, have the same meaning as in the Bank Settlement Agreements.

1 amounts of the claims of Investors who are involved in the Anderson Litigation and Beattie  
2 Litigation to their original MIMO amounts, pay the entire MIMO amounts of the allowed claims  
3 of Investors, pay the entire unsecured claim of Babeckos, and make a pro rata distribution on the  
4 book amount of Investors' claims above the allowed amounts of their MIMO claims, subject to a  
5 separate order of this Court. In return, the Bank Defendants seek global peace with respect to all  
6 claims that have been, or could have been, asserted against them, or any of their respective  
7 affiliates, representatives, and insurers as set forth in the releases in the Bank Settlement  
8 Agreements, arising out of the events leading to these proceedings. Obtaining such global peace  
9 is a critical and material component of the Bank Settlements.

10 18. Accordingly, the Bank Settlements are conditioned on, among other things, the  
11 Court's approval and entry of the claims bars enjoining all Investors from asserting, maintaining,  
12 or prosecuting claims arising out of the events leading to these proceedings against either of the  
13 Bank Defendants or any of their respective affiliates, representatives, and insurers, including the  
14 claims asserted against the Bank Defendants in *Anderson, et al. v. Davis Wright Tremaine LLP,*  
15 *et al.*, Case No. 3:20-cv-01194-AR, pending in the U.S. District Court, District of Oregon (the  
16 "Anderson Litigation"), and in *Sherry Beattie, et al. v. Davis Wright Tremaine LLP, et al.*, Case  
17 No. 20CV09419, currently pending in the Circuit Court of the State of Oregon, Multnomah  
18 County (the "Beattie Litigation").

19 19. Both Bank Defendants rely heavily on liability insurance policies to fund the  
20 defense of the claims asserted against them by the Receiver and by certain Investors. Further  
21 litigation will continue to deplete the funds available from the Bank Defendants' insurers. The  
22 Receiver does not know if it would be able to collect on a judgment anywhere close to the  
23 amounts of the Settlement Payments (as defined below) absent the compromises made by the  
24 Bank Defendants under the Bank Settlements.

25 20. The Receiver has filed a motion to be heard concurrently with the Motion, to  
26 restore the amount of MIMO claims, no longer deducting the pending estimated Davis Wright

1 Tremaine Recoveries for the Investors who are plaintiffs in the Anderson Litigation and the  
2 Beattie Litigation. The total allowed amount of Investors' MIMO claims and the general  
3 unsecured claim of Babeckos will then again be \$16,720,115.56.<sup>5</sup> The claims motion will also  
4 allow the book value claims in the amount above the MIMO claims, an aggregate amount of  
5 \$47,028,184.55.

6 21. The Receiver intends to make a distribution of \$17 million to Investors and  
7 Babeckos out of the Settlement Payments. This means that, if both motions are granted, the  
8 MIMO claims and the general unsecured claim of Babeckos will be paid in full (the remaining  
9 balance after the first and second interim distributions being \$12,477,862.05). And Investors will  
10 receive a further pro rata distribution of approximately 9.6% on the incremental amount of their  
11 allowed claims between book value and MIMO.

12 I declare under penalty of perjury under the laws of the State of Washington that the  
13 foregoing is true and correct.

14 EXECUTED this 30<sup>th</sup> day of June, 2023, at Portland, Oregon.

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17 Hannah Schmidt

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26 <sup>5</sup> Claims that were released by certain Investors pursuant to settlement agreements with the Receiver will not be restored.

# EXHIBIT 1



## SETTLEMENT AGREEMENT

This Settlement Agreement (this “Agreement”), dated for reference purposes and effective as of June 23, 2023, is made and entered into by and between (1) Clyde A. Hamstreet & Associates, LLC (the “Receiver”), in its capacity as the general receiver for American Eagle Mortgage I, LLC; American Eagle Mortgage II, LLC; American Eagle Mortgage Short Term, LLC; American Eagle Mortgage 100, LLC; American Eagle Mortgage 200, LLC; American Eagle Mortgage 300, LLC; American Eagle Mortgage 400, LLC; American Eagle Mortgage 500, LLC; American Eagle Mortgage 600, LLC; American Eagle Mortgage Mexico 100, LLC; American Eagle Mortgage Mexico 200, LLC; American Eagle Mortgage Mexico 300, LLC; American Eagle Mortgage Mexico 400, LLC; American Eagle Mortgage Mexico 500, LLC; and American Eagle Mortgage Mexico 600, LLC (collectively, the “Pools”) in Case No. 19-2-01458-06 (the “Receivership Proceeding”) pending in the Superior Court of Washington for Clark County (the “Court”), and (2) Pacific Premier Bank (“Pacific Premier”). The Receiver and Pacific Premier are hereinafter collectively referred to as the “Parties” and individually as a “Party.”

### RECITALS

A. On May 10, 2019, the Court entered an Order Appointing General Receiver (as amended to to date, the “Receivership Order”) in the Receivership Proceeding. Under the Receivership Order, among other things, the Receiver is authorized to assert any rights, claims, or interests of the Pools.

B. Pursuant to RCW 7.60.200, the Receiver gave notice of the Receivership Proceeding to all creditors of the Pools, including those whose claims arose out of the purchase of promissory notes from the Pools. Those creditors whose claims arose out of the purchase of promissory notes from the Pools and that have filed proofs of claim and hold or will hold allowed claims in the Receivership Proceeding are hereinafter collectively referred to as the “Investors.”

C. On February 19, 2020, the Receiver filed an adjunct lawsuit in the Court, assigned Case No. 20-2-00507-06 (the “Adjunct Litigation”), asserting various tort and contract claims against American Equities, Inc. (“AEI”), American Eagle Mortgage Management, LLC (“AEMM”), Ross Miles and Beverly Miles, and Maureen Wile and Robert Wile.

D. On August 28, 2020, the Receiver filed an amended complaint in the Adjunct Litigation adding Pacific Premier as a defendant and asserting claims against Pacific Premier for breach of fiduciary duty, aiding and abetting breaches of fiduciary duty, and negligence.

E. After the commencement of the Adjunct Litigation, two sets of Investors filed securities lawsuits against Pacific Premier in Oregon state court. First, seven Investors filed a putative class action against Pacific Premier, Riverview Community Bank (“Riverview”), Ross Miles, Maureen Wile, and Davis Wright Tremaine LLP (“DWT”), entitled *Diane Anderson, et al. v. Davis Wright Tremaine LLP, et al.*, which is pending in the United States District Court for the District of Oregon as Case No. 3:20-cv-01194-AR (the “Anderson Litigation”). In the Anderson

Litigation, the plaintiffs, acting for themselves and on behalf of similarly situated putative class members, allege, among other things, that Pacific Premier participated or materially aided in the sales of securities to certain Investors in violation of the Oregon Securities Law. Second, five individual Investors filed a separate action against Pacific Premier, Riverview, Ross Miles, Maureen Wile, and DWT, entitled *Sherry Beattie, et al. v. Davis Wright Tremaine LLP, et al.*, which is pending in the Circuit Court for the State of Oregon, Multnomah County, as Case No. 20CV09419 (the "Beattie Litigation"). The plaintiffs in the Beattie Litigation allege that Pacific Premier participated or materially aided in the sales of securities to them in violation of the Oregon Securities Law and Oklahoma Securities Law.

F. Pacific Premier denies the allegations in the Adjunct Litigation, in the Anderson Litigation, and in the Beattie Litigation. Pacific Premier further denies that it has committed any wrongdoing or that it is liable to the Receiver, the Pools, or any of the Investors under Washington tort law, ORS 59.115(3), or any other law.

G. On April 27, 2023, the Receiver and Pacific Premier participated in mediation before the Honorable Michael Hogan with Hogan Mediation. Following good-faith, adversarial, and arm's-length negotiations, the Parties reached the compromises set forth in this Agreement.

H. The Receiver has conducted an investigation into the facts and the law relating to the claims asserted in the Adjunct Litigation, and after considering the results of that investigation and the benefits of the settlement described in this Agreement, including the burden, expense, and risks of litigation and appeals, the Receiver believes that the settlement described in this Agreement is fair, reasonable, and in the best interests of the Pools and of the Investors as a whole.

I. There has been no admission or finding of facts or liability by or against any of the Parties, and nothing herein should be construed as such.

J. The Parties wish to settle and permanently resolve all claims that the Receiver, the other defendants named in the Adjunct Litigation, and all Investors have or may have against Pacific Premier that, in each case, is based on or arose or arises out of or by reason of (i) Pacific Premier's transactions or dealings with any of the Pools, AEI, or AEMM, or (ii) the settlement or other resolution of any claims that have been asserted or could be asserted in the Adjunct Litigation, the Anderson Litigation, or the Beattie Litigation.

### TERMS

NOW, THEREFORE, for and in consideration of the covenants, agreements, and releases set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Parties agree as follows:

1. Settlement Payment or Alternative Break-Up Fee. In consideration of the releases and other benefits set forth or described herein, Pacific Premier will pay to the Receiver the amount set forth in Section 1(a) or in Section 1(b), as the case may be, in immediately available funds by wire transfer to the Receiver in accordance with written instructions to be provided to Pacific

Premier by the Receiver.

a. Settlement Payment. Subject to the occurrence of the Effective Date (as defined in Section 2 below), Pacific Premier will pay the Receiver the amount of NINE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$9,500,000.00) (the "Settlement Payment") within 30 calendar days after the occurrence of the Effective Date. Contemporaneously with or as soon as practicable following the Receiver's receipt of the Settlement Payment, the Parties will cause to be filed in the Adjunct Litigation a stipulated judgment under Washington State Superior Court Civil Rule 54(b), which shall be reasonably satisfactory in form to both Parties and that dismisses, with prejudice and without cost to any party, Pacific Premier as a defendant and all of the Receiver's claims against Pacific Premier.

b. Alternative Break-Up Fee. If this Agreement is terminated under Section 6(a) below, Pacific Premier will pay the Receiver, as a Break-Up Fee, the amount of TWO HUNDRED FIFTY THOUSAND DOLLARS (\$250,000.00) within 30 calendar days after the effective date of such termination.

c. Taxation of Settlement Payment or Break-Up Fee. Any taxes on any income of the Settlement Payment or Break-Up Fee, and any expenses and costs incurred in connection with the taxation of the Settlement Payment or Break-Up Fee (including, without limitation, interest, penalties, and the expenses of tax attorneys and accountants) shall be paid solely by the Receiver. In all events, Pacific Premier shall have no liability or responsibility whatsoever for the taxes or the filing of any tax returns or other documents with the Internal Revenue Service or any other state or local taxing authority relating to this Agreement.

2. Conditions Precedent to Pacific Premier's Obligation to Pay Settlement Amount. Pacific Premier's obligation to pay the Settlement Payment under Section 1(a) of this Agreement is expressly contingent on fulfilment of the following conditions. The date on which both conditions set forth in this Section 2 have been satisfied will be the "Effective Date."

a. Entry of Approval Order in Receivership Proceeding. The Parties acknowledge that the Receiver's ability to grant the releases and otherwise perform its obligations under this Agreement will require notice and approval of the Court in the Receivership Proceeding pursuant to RCW 7.60.190 (6)(c). The Receiver will, as soon as reasonably practicable following the execution of this Agreement, take all reasonable steps necessary to comply with any notice requirements in the Receivership Proceeding and to obtain entry of an order in the Receivership Proceeding which is satisfactory in form to both Parties and that: (i) approves this Agreement; (ii) authorizes the Receiver to grant the releases and otherwise perform its obligations under this Agreement; (iii) permanently bars Ross Miles, Beverly Miles, Maureen Wile, Robert Wile, and Riverview from directly or indirectly asserting, initiating, maintaining, continuing, intervening in, encouraging, or otherwise prosecuting any demand, claim, action, cause of action, or proceeding of any kind in any forum against any of Pacific Premier, any of its affiliated entities or any of their predecessors, successors, or assigns (specifically including Grandpoint Capital, Inc.), or any of their respective past and present officers, directors, employees, representatives, attorneys, and other agents, or any of their respective insurers and underwriters (the "Pacific Premier Protected Parties")

for contribution, indemnity, reimbursement, or the like based on or arising out of settlement or other resolution of any claims that have been asserted or could be asserted in the Adjunct Litigation, the Anderson Litigation, or the Beattie Litigation, and (iv) permanently bars all Investors from directly or indirectly asserting, initiating, maintaining, continuing, intervening in, encouraging, or otherwise prosecuting any demand, claim, action, cause of action, or proceeding of any kind in any forum against any of the Pacific Premier Protected Parties based on or arising out of Pacific Premier's transactions or dealings with any of the Pools, AEI, or AEMM, including claims that have been asserted or could be asserted in the Anderson Litigation or in the Beattie Litigation (the "Approval Order"). The Court has scheduled a hearing on the Receiver's yet-to-be-filed motion for an Approval Order for August 18, 2023, at 1:30 pm Pacific time, which the Parties acknowledge and agree is a mutually convenient hearing date. For purpose of clarity, the condition set forth in this Section 2(a) will be satisfied upon entry of an Approval Order that has become final and non-appealable.

b. Enforcement of Claims Bar Respecting Investors' Claims in the Anderson Litigation and the Beattie Litigation. Promptly after the Approval Order becomes final and non-appealable, Pacific Premier will seek any orders that may be reasonably necessary to enforce the claims bar provisions contained in the Approval Order respecting Investors' claims against Pacific Premier that have been asserted in the Anderson Litigation and in the Beattie Litigation. The Receiver will reasonably cooperate and support Pacific Premier's efforts to enforce the claims bar provisions contained in the Approval Order. For purpose of clarity, the condition set forth in this Section 2(b) will be satisfied upon entry of one or more orders which have become final and non-appealable and that either (i) permanently enjoin all Investors from prosecuting any such claims against Pacific Premier in the Anderson Litigation and in the Beattie Litigation, or (ii) dismiss such claims with prejudice.

3. Stay of Adjunct Litigation Against Pacific Premier. To allow sufficient time for the Parties to fulfill the conditions specified in Section 2 above, the Parties agree to a stay of the Adjunct Litigation with respect to the Receiver's claims against Pacific Premier, which will necessarily stay the June 12, 2023, trial date with respect to Pacific Premier. Pacific Premier agrees that the Receiver may proceed to trial against any of the other defendants (i.e., Riverview, Ross Miles, Beverly Miles, Maureen Wile, and Robert Wile). If the Receiver proceeds to trial against the other defendants while its claims against Pacific Premier are stayed, the Parties agree that neither of them will be bound by or judicially estopped from presenting evidence based on rulings at trial made in Pacific Premier's absence.

4. Mutual Releases. Except for the rights and obligations of the Parties under this Agreement and under any agreement, instrument, or document that is executed pursuant to or in connection with this Agreement, and without need for further action by the Parties:

a. Effective upon the Receiver's receipt of the Settlement Payment, the Receiver, for itself and on behalf of the Pools, hereby releases and forever discharges the Pacific Premier Protected Parties, and each of them, of and from any and all demands, claims, actions, causes of action, and legal or equitable remedies of whatever kind or nature and however characterized, whether known or unknown, suspected or unsuspected, direct or derivative, direct or consequential, whether at law or in equity, and whether sounding in tort or contract or otherwise, which, in each

case, is based on or arose or arises out of or by reason of any act, omission, event, transaction, or occurrence prior to the date of this Agreement, including all claims that have been asserted or could be asserted in the Adjunct Litigation and, if applicable, all claims of Investors that have been deemed assigned to the Receiver under the Approval Order.

b. Effective on (but subject to the occurrence of) the Effective Date, Pacific Premier hereby releases and forever discharges the Receiver, each of the Receiver's past and present managers, members, employees, representatives, attorneys, and other agents, and their respective insurers and underwriters, the consolidated receivership estate created by the Receivership Order, and the Pools, and each of them, of and from any and all demands, claims, actions, causes of action, and legal or equitable remedies of whatever kind or nature and however characterized, whether known or unknown, suspected or unsuspected, direct or derivative, direct or consequential, whether at law or in equity, and whether sounding in tort or contract or otherwise, which, in each case, is based on or arose or arises out of or by reason of any act, omission, event, transaction, or occurrence prior to the date of this Agreement.

5. Withdrawal of Pacific Premier's Objection to Investors' Settlement with DWT. Within five business days following the occurrence of the Effective Date, Pacific Premier will file in the Anderson Litigation and in the Beattie Litigation notice of its withdrawal of its objections to the settlements made between the Investor plaintiffs and DWT.

6. Termination.

a. Either Party may terminate this Agreement by giving written notice of its election to do so to the other Party within thirty (30) calendar days of the date on which (a) the Court enters an order disapproving this Agreement, (b) the Court enters an order approving this Agreement that does not also grant the relief described in clauses (iii) and (iv) of Section 2(a) above (such additional relief being the "Claims Bar"), or (c) a court of competent jurisdiction presiding over the Anderson Litigation or the Beattie Litigation states in writing that it will not enforce the Claims Bar or enters an order in the Anderson Litigation or in the Beattie Litigation refusing to enforce the Claims Bar.

b. If the Effective Date does not occur by August 1, 2024, the Receiver may elect to terminate this Agreement by giving written notice to Pacific Premier any time after such date.

c. A notice to terminate this Agreement under this Section 6 shall specify the effective date of such termination and be delivered as follows: If to the Receiver, by hand-delivery to the attention of Clyde Hamstreet at 1 SW Columbia St #1575, Portland, OR 97258, or, if delivery is made by email, to [chamstreet@hamstreet.net](mailto:chamstreet@hamstreet.net), in either case with copy to John Knapp at [john.knapp@millermash.com](mailto:john.knapp@millermash.com); if to Pacific Premier, by hand-delivery to the attention of Shannon Armstrong at 601 SW Second Ave #1800, Portland, OR 97209 with copy to Shannon Armstrong at [shannon.armstrong@hklaw.com](mailto:shannon.armstrong@hklaw.com) and Matt Donohue at [matt.donohue@hklaw.com](mailto:matt.donohue@hklaw.com).

d. Neither Party may terminate this Agreement based solely upon what contribution credit or method of contribution credit should be allowed to any enjoined or barred party as determined by the applicable court. In any proceeding to determine the credit to be provided to any

enjoined or barred party, the Receiver will not contend that Pacific Premier is insolvent, or make any argument based on Pacific Premier's ability to pay or financial condition, nor will Pacific Premier be required to produce financial information relating to this Agreement.

e. Upon the termination of this Agreement under this Section 6, Pacific Premier will be obligated to pay the Receiver the Break-Up Fee under Section 1(b) above, the Parties will revert to their respective status in the Adjunct Litigation as it existed immediately prior to the execution of this Agreement, and, except as otherwise expressly provided herein, the Parties will proceed in all respects as if this Agreement and any related orders had not been entered; provided, however, that if the Receiver exercises its right to terminate this Agreement under Section 6(b) above, it will forfeit its right to receive the Break-Up Fee described in Section 1(b) above.

7. Cooperation. The implementation of this Agreement will require that the Parties take additional actions to satisfy the conditions specified in Section 2 above. The Parties will work together and use reasonable efforts to take such actions as may be reasonably necessary to fully implement this Agreement and satisfy such conditions within a reasonable time frame. Each Party will bear its own costs and attorneys' fees in connection with implementing this Agreement, including in connection with preparing court filings and obtaining the necessary court approvals.

8. Third-Party Beneficiaries. Except for any released persons or entities identified in the releases set forth in Section 4, this Agreement shall not have any third-party beneficiaries.

9. No Admission of Liability. The Parties understand and acknowledge that this Agreement reflects a compromise of disputed claims that they may have against each other, as described herein, and shall not be construed as any sort of admission of any kind, type, or nature on the part of any Party hereby released, each of which expressly denies any liability.

10. Waiver. To the extent that any law, legal principle, or statute purports to cause the releases described in Section 4 above not to extend to unknown or unsuspected claims, the Parties hereby expressly, knowingly, and intentionally waive the benefits of such applicable law, legal principle, or statute, including any and all common law principles that would tend to preserve such claims.

11. Authority. Each Party represents to the other that (a) it has the full power and authority to enter into this Agreement and to grant the rights and perform the obligations provided for herein, (b) such ability is not limited or restricted by agreements or understandings between such Party and other persons or entities, (c) it has obtained all necessary approvals to enter into this Agreement except for the court approvals described above, and (d) its signatory has authority to enter this Agreement on said Party's behalf.

12. Amendments. This Agreement may not be amended or modified except in writing, signed by the Parties to be bound thereby. The Parties further acknowledge that they lack authority to orally modify this Agreement.

13. Entire Agreement. This Agreement constitutes the final written expression of all

the terms of this Agreement and is a complete and exclusive statement of those terms. This Agreement constitutes the entire agreement of the Parties with respect to the subject matter hereof and supersedes all prior communications, understandings, negotiations, or agreements, both written and oral, between the Parties with respect to the subject matter hereof.

14. Representations and Warranties. Each Party represents and warrants to the other that such Party (a) has entered into this Agreement of its own free will and in accordance with its own judgment, (b) has not been induced to enter into this Agreement by any statement, act, or representation of any kind or character on the part of anyone except as expressly set forth in this Agreement, (c) has made its own independent investigation of the facts and law pertaining to this settlement embodied by this Agreement, and of all matters related thereto, as that Party deems necessary or advisable, (d) is the sole and lawful owner of any and all claims that such Party is releasing pursuant to the terms of this Agreement, and (e) has not assigned or transferred, or attempted to assign or transfer, all or any portion of the claims that such Party is releasing hereunder to any other person or entity, in any manner, including by way of subrogation or operation of law or otherwise.

15. Attorney Fees. The prevailing Party in any proceeding relating to the enforcement, breach, or violation of any of the rights, duties, obligations, or promises arising under this Agreement shall be entitled to recover from the losing Party such Party's reasonable litigation costs and expenses, including reasonable attorney fees, paralegal fees, and expert witness fees, at trial, in any arbitration, mediation, or bankruptcy proceedings, on all levels of appellate review (including appeals and review), and for post-judgment matters.

16. Captions. The captions contained in this Agreement are for convenience of reference only and do not in any way limit, expand, or modify the terms or provisions of this Agreement.

17. Assumption of Risk. It is expressly understood and agreed by the Parties that the facts and circumstances under which this Agreement is entered into may later turn out to be other than or different from the facts that are now known or believed by the Parties to be true, that the Parties expressly assume the risk of the facts turning out to be so different, and that this Agreement shall be in all respects effective and not subject to termination or rescission by reason of any difference in the facts. Each Party further acknowledges the significance and the consequence of its waiver of unknown claims contained in such Party's general release under this Agreement.

18. Governing Law. This Agreement, and (except as otherwise provided therein) all documents executed pursuant it, shall be interpreted, enforced, and governed by and under the laws of the State of Washington without regard to choice of law rules.

19. Mandatory Arbitration. Any dispute, controversy, or claim arising out of or relating to this Agreement, including breach, interpretation, or validity of this Agreement, except for the court approvals described above, shall be exclusively resolved in arbitration with the Honorable Michael Hogan serving as the sole arbitrator.

20. Incorporation of Recitals. The recitals above are an integral part of this Agreement, which are fully adopted and incorporated herein by this reference.

21. Construction. The rule of construction that an agreement is to be construed against the drafting party is not to be applied in interpreting this Agreement. Each Party acknowledges that it has read this Agreement and understands its meaning and intent, that this Agreement has been executed voluntarily, and that it is represented by legal counsel of its choice in regard to the negotiation, drafting, and execution of this Agreement.

22. Severability. The invalidity of all or any part of any section of this Agreement shall not render invalid the remainder of this Agreement to the extent it represents the intent of the Parties in all material respects if interpreted without the invalid provision.

23. Counterparts. This Agreement may be executed in multiple counterpart copies, each of which shall be deemed an original and all such counterparts, once so executed, shall together be deemed to constitute one final agreement, as if one document had been signed by both Parties. Transmittal of an executed counterpart by facsimile or other electronic means shall be given the same force and effect as delivery of a signed counterpart with original signatures.

Executed and effective as of the date set forth in the preamble above:

CLYDE A. HAMSTREET & ASSOCIATES, LLC

PACIFIC PREMIER BANK

By: [Signature]

By: [Signature]

Title: Managing Member

Title: Sr. EVP / General Counsel

Date: June 28, 2023

Date: 6/29/23

By: [Signature]  
Title: SEVP - CFO  
Date: 6.29.23



# EXHIBIT 2

## SETTLEMENT AGREEMENT

This Settlement Agreement (this "Agreement"), dated for reference purposes and effective as of June 23, 2023, is made and entered into by and between (1) Clyde A. Hamstreet & Associates, LLC (the "Receiver"), in its capacity as the general receiver for American Eagle Mortgage I, LLC; American Eagle Mortgage II, LLC; American Eagle Mortgage Short Term, LLC; American Eagle Mortgage 100, LLC; American Eagle Mortgage 200, LLC; American Eagle Mortgage 300, LLC; American Eagle Mortgage 400, LLC; American Eagle Mortgage 500, LLC; American Eagle Mortgage 600, LLC; American Eagle Mortgage Mexico 100, LLC; American Eagle Mortgage Mexico 200, LLC; American Eagle Mortgage Mexico 300, LLC; American Eagle Mortgage Mexico 400, LLC; American Eagle Mortgage Mexico 500, LLC; and American Eagle Mortgage Mexico 600, LLC (collectively, the "Pools") in Case No. 19-2-01458-06 (the "Receivership Proceeding") pending in the Superior Court of Washington for Clark County (the "Court"), and (2) Riverview Community Bank ("Riverview"). The Receiver and Riverview are hereinafter collectively referred to as the "Parties" and individually as a "Party."

### RECITALS

A. On May 10, 2019, the Court entered an Order Appointing General Receiver (as amended to to date, the "Receivership Order") in the Receivership Proceeding. Under the Receivership Order, among other things, the Receiver is authorized to assert any rights, claims, or interests of the Pools.

B. Pursuant to RCW 7.60.200, the Receiver gave notice of the Receivership Proceeding to all creditors of the Pools, including those whose claims arose out of the purchase of promissory notes from the Pools. Those creditors whose claims arose out of the purchase of promissory notes from the Pools and that have filed proofs of claim and hold or will hold allowed claims in the Receivership Proceeding are hereinafter collectively referred to as the "Investors."

C. On February 19, 2020, the Receiver filed an adjunct lawsuit in the Court, assigned Case No. 20-2-00507-06 (the "Adjunct Litigation"), asserting various tort and contract claims against American Equities, Inc. ("AEI"), American Eagle Mortgage Management, LLC ("AEMM"), Ross Miles and Beverly Miles, and Maureen Wile and Robert Wile.

D. On August 28, 2020, the Receiver filed an amended complaint in the Adjunct Litigation adding Pacific Premier Bank ("Pacific Premier") as a defendant and asserting claims against Pacific Premier for breach of fiduciary duty, aiding and abetting breaches of fiduciary duty, and negligence. And on January 12, 2022, the Receiver amended its complaint a second time adding Riverview as a defendant and asserting claims against Riverview under the Uniform Fraudulent Transfer Act and for breach of fiduciary duty, aiding and abetting breaches of fiduciary duty, and negligence.

E. After the commencement of the Adjunct Litigation, two sets of Investors filed securities lawsuits against Riverview in Oregon state court. First, seven Investors filed a putative

class action against Riverview, Pacific Premier, Ross Miles, Maureen Wile, and Davis Wright Tremaine LLP (“DWT”), entitled *Diane Anderson, et al. v. Davis Wright Tremaine LLP, et al.*, which is pending in the United States District Court for the District of Oregon as Case No. 3:20-cv-01194-AR (the “Anderson Litigation”). In the Anderson Litigation, the plaintiffs, acting for themselves and on behalf of similarly situated putative class members, allege, among other things, that Riverview participated or materially aided in the sales of securities to certain Investors in violation of the Oregon Securities Law. Second, five individual Investors filed a separate action against Riverview, Pacific Premier, Ross Miles, Maureen Wile, and DWT, entitled *Sherry Beattie, et al. v. Davis Wright Tremaine LLP, et al.*, which is pending in the Circuit Court for the State of Oregon, Multnomah County, as Case No. 20CV09419 (the “Beattie Litigation”). The plaintiffs in the Beattie Litigation allege that Riverview participated or materially aided in the sales of securities to them in violation of the Oregon Securities Law and Oklahoma Securities Law.

F. Riverview denies the allegations in the Adjunct Litigation, in the Anderson Litigation, and in the Beattie Litigation. Riverview further denies that it has committed any wrongdoing or that it is liable to the Receiver, the Pools, or any of the Investors under Washington tort law, ORS 59.115(3), or any other law.

G. On May 8, 2023, the Receiver and Riverview participated in mediation with Chris Kent of Kent Mediation & Arbitration. Following good-faith, adversarial, and arm’s-length negotiations, the Parties reached the compromises set forth in this Agreement.

H. The Receiver has conducted an investigation into the facts and the law relating to the claims asserted in the Adjunct Litigation, and after considering the results of that investigation and the benefits of the settlement described in this Agreement, including the burden, expense, and risks of litigation and appeals, the Receiver believes that the settlement described in this Agreement is fair, reasonable, and in the best interests of the Pools and of the Investors as a whole.

I. There has been no admission or finding of facts or liability by or against any of the Parties, and nothing herein should be construed as such.

J. The Parties wish to settle and permanently resolve all claims that the Receiver, the other defendants named in the Adjunct Litigation, and all Investors have or may have against Riverview that, in each case, is based on or arose or arises out of or by reason of (i) Riverview’s transactions or dealings with any of the Pools, AEI, or AEMM, or (ii) the settlement or other resolution of any claims that have been asserted or could be asserted in the Adjunct Litigation, the Anderson Litigation, or the Beattie Litigation.

### TERMS

NOW, THEREFORE, for and in consideration of the covenants, agreements, and releases set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Parties agree as follows:

1. Settlement Payment or Alternative Break-Up Fee. In consideration of the releases

and other benefits set forth or described herein, Riverview will pay to the Receiver the amount set forth in Section 1(a) or in Section 1(b), as the case may be, in immediately available funds by wire transfer to the Receiver in accordance with written instructions to be provided to Riverview by the Receiver.

a. Settlement Payment. Subject to the occurrence of the Effective Date (as defined in Section 2 below), Riverview will pay the Receiver the amount of NINE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$9,500,000.00) (the "Settlement Payment") within 30 calendar days after the occurrence of the Effective Date. Contemporaneously with or as soon as practicable following the Receiver's receipt of the Settlement Payment, the Parties will cause to be filed in the Adjunct Litigation a stipulated judgment under Washington State Superior Court Civil Rule 54(b), which shall be reasonably satisfactory in form to both Parties and that dismisses, with prejudice and without cost to any party, Riverview as a defendant and all of the Receiver's claims against Riverview.

b. Alternative Break-Up Fee. If this Agreement is terminated under Section 5(a) below, Riverview will pay the Receiver, as a Break-Up Fee, the amount of TWO HUNDRED FIFTY THOUSAND DOLLARS (\$250,000.00) within 30 calendar days after the effective date of such termination.

c. Taxation of Settlement Payment or Break-Up Fee. Any taxes on any income of the Settlement Payment or Break-Up Fee, and any expenses and costs incurred in connection with the taxation of the Settlement Payment or Break-Up Fee (including, without limitation, interest, penalties, and the expenses of tax attorneys and accountants) shall be paid solely by the Receiver. In all events, Riverview shall have no liability or responsibility whatsoever for the taxes or the filing of any tax returns or other documents with the Internal Revenue Service or any other state or local taxing authority relating to this Agreement.

2. Conditions Precedent to Riverview's Obligation to Pay Settlement Amount. Riverview's obligation to pay the Settlement Payment under Section 1(a) of this Agreement is expressly contingent on fulfillment of the following conditions. The date on which both conditions set forth in this Section 2 have been satisfied will be the "Effective Date."

a. Entry of Approval Order in Receivership Proceeding. The Parties acknowledge that the Receiver's ability to grant the releases and otherwise perform its obligations under this Agreement will require notice and approval of the Court in the Receivership Proceeding pursuant to RCW 7.60.190 (6)(c). The Receiver will, as soon as reasonably practicable following the execution of this Agreement, take all reasonable steps necessary to comply with any notice requirements in the Receivership Proceeding and to obtain entry of an order in the Receivership Proceeding which is satisfactory in form to both Parties and that: (i) approves this Agreement; (ii) authorizes the Receiver to grant the releases and otherwise perform its obligations under this Agreement; (iii) permanently bars Ross Miles, Beverly Miles, Maureen Wile, Robert Wile, and Pacific Premier from directly or indirectly asserting, initiating, maintaining, continuing, intervening in, encouraging, or otherwise prosecuting any demand, claim, action, cause of action, or proceeding of any kind in any forum against any of Riverview, any of its affiliated entities or any of their

predecessors, successors, or assigns, or any of their respective past and present officers, directors, employees, representatives, attorneys, and other agents, or any of their respective insurers and underwriters (the "Riverview Protected Parties") for contribution, indemnity, reimbursement, or the like based on or arising out of settlement or other resolution of any claims that have been asserted or could be asserted in the Adjunct Litigation, the Anderson Litigation, or the Beattie Litigation, and (iv) permanently bars all Investors from directly or indirectly asserting, initiating, maintaining, continuing, intervening in, encouraging, or otherwise prosecuting any demand, claim, action, cause of action, or proceeding of any kind in any forum against any of the Riverview Protected Parties based on or arising out of Riverview's transactions or dealings with any of the Pools, AEI, or AEMM, including claims that have been asserted or could be asserted in the Anderson Litigation or in the Beattie Litigation (the "Approval Order"). The Court has scheduled a hearing on the Receiver's yet-to-be-filed motion for an Approval Order for August 18, 2023, at 1:30 pm Pacific time, which the Parties acknowledge and agree is a mutually convenient hearing date. For purpose of clarity, the condition set forth in this Section 2(a) will be satisfied upon entry of an Approval Order that has become final and non-appealable.

b. Enforcement of Claims Bar Respecting Investors' Claims in the Anderson Litigation and the Beattie Litigation. Promptly after the Approval Order becomes final and non-appealable, Riverview will seek any orders that may be reasonably necessary to enforce the claims bar provisions contained in the Approval Order respecting Investors' claims against Riverview that have been asserted in the Anderson Litigation and in the Beattie Litigation. The Receiver will reasonably cooperate and support Riverview's efforts to enforce the claims bar provisions contained in the Approval Order. For purpose of clarity, the condition set forth in this Section 2(b) will be satisfied upon entry of one or more orders which have become final and non-appealable and that either (i) permanently enjoin all Investors from prosecuting any such claims against Riverview in the Anderson Litigation and in the Beattie Litigation, or (ii) dismiss such claims with prejudice.

3. Stay of Adjunct Litigation Against Riverview. To allow sufficient time for the Parties to fulfill the conditions specified in Section 2 above, the Parties agree to a stay of the Adjunct Litigation with respect to the Receiver's claims against Riverview, which will necessarily stay the June 12, 2023, trial date with respect to Riverview. Riverview agrees that the Receiver may proceed to trial against any of the other defendants (i.e., Pacific Premier, Ross Miles, Beverly Miles, Maureen Wile, and Robert Wile). If the Receiver proceeds to trial against the other defendants while its claims against Riverview are stayed, the Parties agree that neither of them will be bound by or judicially estopped from presenting evidence based on rulings at trial made in Riverview's absence.

4. Mutual Releases. Except for the rights and obligations of the Parties under this Agreement and under any agreement, instrument, or document that is executed pursuant to or in connection with this Agreement, and without need for further action by the Parties:

a. Effective upon the Receiver's receipt of the Settlement Payment, the Receiver, for itself and on behalf of the Pools, hereby releases and forever discharges the Riverview Protected Parties, and each of them, of and from any and all demands, claims, actions, causes of action, and legal or equitable remedies of whatever kind or nature and however characterized, whether known or unknown, suspected or unsuspected, direct or derivative, direct or consequential, whether at law

or in equity, and whether sounding in tort or contract or otherwise, which, in each case, is based on or arose or arises out of or by reason of any act, omission, event, transaction, or occurrence prior to the date of this Agreement, including all claims that have been asserted or could be asserted in the Adjunct Litigation and, if applicable, all claims of Investors that have been deemed assigned to the Receiver under the Approval Order.

b. Effective on (but subject to the occurrence of) the Effective Date, Riverview hereby releases and forever discharges the Receiver, each of the Receiver's past and present managers, members, employees, representatives, attorneys, and other agents, and their respective insurers and underwriters, the consolidated receivership estate created by the Receivership Order, and the Pools, and each of them, of and from any and all demands, claims, actions, causes of action, and legal or equitable remedies of whatever kind or nature and however characterized, whether known or unknown, suspected or unsuspected, direct or derivative, direct or consequential, whether at law or in equity, and whether sounding in tort or contract or otherwise, which, in each case, is based on or arose or arises out of or by reason of any act, omission, event, transaction, or occurrence prior to the date of this Agreement.

#### 5. Termination.

a. Either Party may terminate this Agreement by giving written notice of its election to do so to the other Party within thirty (30) calendar days of the date on which (a) the Court enters an order disapproving this Agreement, (b) the Court enters an order approving this Agreement that does not also grant the relief described in clauses (iii) and (iv) of Section 2(a) above (such additional relief being the "Claims Bar"), or (c) a court of competent jurisdiction presiding over the Anderson Litigation or the Beattie Litigation states in writing that it will not enforce the Claims Bar or enters an order in the Anderson Litigation or in the Beattie Litigation refusing to enforce the Claims Bar.

b. If the Effective Date does not occur by August 1, 2024, the Receiver may elect to terminate this Agreement by giving written notice to Riverview any time after such date.

c. A notice to terminate this Agreement under this Section 5 shall specify the effective date of such termination and be delivered as follows: If to the Receiver, by hand-delivery to the attention of Clyde Hamstreet at 1 SW Columbia St #1575, Portland, OR 97258, or, if delivery is made by email, to [chamstreet@hamstreet.net](mailto:chamstreet@hamstreet.net), in either case with copy to John Knapp at [john.knapp@millernash.com](mailto:john.knapp@millernash.com); if to Riverview, by hand-delivery to the attention of Charles (Chip) Paternoster at 1030 SW Morrison Street, Portland, OR 97205 with copy to [cpaternoster@pfglaw.com](mailto:cpaternoster@pfglaw.com).

d. Neither Party may terminate this Agreement based solely upon what contribution credit or method of contribution credit should be allowed to any enjoined or barred party as determined by the applicable court. In any proceeding to determine the credit to be provided to any enjoined or barred party, the Receiver will not contend that Riverview is insolvent, or make any argument based on Riverview's ability to pay or financial condition, nor will Riverview be required to produce financial information relating to this Agreement.

e. Upon the termination of this Agreement under this Section 5, Riverview will be obligated to pay the Receiver the Break-Up Fee under Section 1(b) above, the Parties will revert to their respective status in the Adjunct Litigation as it existed immediately prior to the execution of this Agreement, and, except as otherwise expressly provided herein, the Parties will proceed in all respects as if this Agreement and any related orders had not been entered; provided, however, that if the Receiver exercises its right to terminate this Agreement under Section 5(b) above, it will forfeit its right to receive the Break-Up Fee described in Section 1(b) above.

6. Cooperation. The implementation of this Agreement will require that the Parties take additional actions to satisfy the conditions specified in Section 2 above. The Parties will work together and use reasonable efforts to take such actions as may be reasonably necessary to fully implement this Agreement and satisfy such conditions within a reasonable time frame. Each Party will bear its own costs and attorneys' fees in connection with implementing this Agreement, including in connection with preparing court filings and obtaining the necessary court approvals.

7. Third-Party Beneficiaries. Except for any released persons or entities identified in the releases set forth in Section 4, this Agreement shall not have any third-party beneficiaries.

8. No Admission of Liability. The Parties understand and acknowledge that this Agreement reflects a compromise of disputed claims that they may have against each other, as described herein, and shall not be construed as any sort of admission of any kind, type, or nature on the part of any Party hereby released, each of which expressly denies any liability.

9. Waiver. To the extent that any law, legal principle, or statute purports to cause the releases described in Section 4 above not to extend to unknown or unsuspected claims, the Parties hereby expressly, knowingly, and intentionally waive the benefits of such applicable law, legal principle, or statute, including any and all common law principles that would tend to preserve such claims.

10. Authority. Each Party represents to the other that (a) it has the full power and authority to enter into this Agreement and to grant the rights and perform the obligations provided for herein, (b) such ability is not limited or restricted by agreements or understandings between such Party and other persons or entities, (c) it has obtained all necessary approvals to enter into this Agreement except for the court approvals described above, and (d) its signatory has authority to enter this Agreement on said Party's behalf.

11. Amendments. This Agreement may not be amended or modified except in writing, signed by the Parties to be bound thereby. The Parties further acknowledge that they lack authority to orally modify this Agreement.

12. Entire Agreement. This Agreement constitutes the final written expression of all the terms of this Agreement and is a complete and exclusive statement of those terms. This Agreement constitutes the entire agreement of the Parties with respect to the subject matter hereof and supersedes all prior communications, understandings, negotiations, or agreements, both written and oral, between the Parties with respect to the subject matter hereof.

13. Representations and Warranties. Each Party represents and warrants to the other that such Party (a) has entered into this Agreement of its own free will and in accordance with its own judgment, (b) has not been induced to enter into this Agreement by any statement, act, or representation of any kind or character on the part of anyone except as expressly set forth in this Agreement, (c) has made its own independent investigation of the facts and law pertaining to this settlement embodied by this Agreement, and of all matters related thereto, as that Party deems necessary or advisable, (d) is the sole and lawful owner of any and all claims that such Party is releasing pursuant to the terms of this Agreement, and (e) has not assigned or transferred, or attempted to assign or transfer, all or any portion of the claims that such Party is releasing hereunder to any other person or entity, in any manner, including by way of subrogation or operation of law or otherwise.

14. Attorney Fees. The prevailing Party in any proceeding relating to the enforcement, breach, or violation of any of the rights, duties, obligations, or promises arising under this Agreement shall be entitled to recover from the losing Party such Party's reasonable litigation costs and expenses, including reasonable attorney fees, paralegal fees, and expert witness fees, at trial, in any arbitration, mediation, or bankruptcy proceedings, on all levels of appellate review (including appeals and review), and for post-judgment matters.

15. Captions. The captions contained in this Agreement are for convenience of reference only and do not in any way limit, expand, or modify the terms or provisions of this Agreement.

16. Assumption of Risk. It is expressly understood and agreed by the Parties that the facts and circumstances under which this Agreement is entered into may later turn out to be other than or different from the facts that are now known or believed by the Parties to be true, that the Parties expressly assume the risk of the facts turning out to be so different, and that this Agreement shall be in all respects effective and not subject to termination or rescission by reason of any difference in the facts. Each Party further acknowledges the significance and the consequence of its waiver of unknown claims contained in such Party's general release under this Agreement.

17. Governing Law. This Agreement, and (except as otherwise provided therein) all documents executed pursuant it, shall be interpreted, enforced, and governed by and under the laws of the State of Washington without regard to choice of law rules.

18. Mandatory Arbitration. Any dispute, controversy, or claim arising out of or relating to this Agreement, including breach, interpretation, or validity of this Agreement, except for the court approvals described above, shall be exclusively resolved in arbitration with Chris Kent serving as the sole arbitrator.

19. Incorporation of Recitals. The recitals above are an integral part of this Agreement, which are fully adopted and incorporated herein by this reference.

20. Construction. The rule of construction that an agreement is to be construed against



the drafting party is not to be applied in interpreting this Agreement. Each Party acknowledges that it has read this Agreement and understands its meaning and intent, that this Agreement has been executed voluntarily, and that it is represented by legal counsel of its choice in regard to the negotiation, drafting, and execution of this Agreement.

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Executed and effective as of the date set forth in the preamble above.

CLYDE A. HAMSTREET & ASSOCIATES, LLC

RIVERVIEW COMMUNITY BANK

By: 

By: 

Title: Managing Member

Title: President / CEO

Date: June 28, 2023

Date: June 29, 2023