97952

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SK-13513
02-07-16-0-0-0603-00

EXHIBIT "B"

ALL-INCLUSIVE DEED OF TRUST

This Deed of Trust, made this 23 day of July, 1984, between VADIM KRIJANOVSKY, a single man, in his capacity as an individual, whose address is 1422 E. Burnside, Portland, Oregon, 97214, and BIBA HOT SPRINGS DEVELOPMENT COMPANY, a Washington limited partnership, whose address is 1422 E. Burnside, Portland, Oregon, 97214, and BIBA HOT SPRINGS, INC., a Washington corporation, whose address is 1422 E. Burnside, Portland, Oregon, 97214, as GRANTORS, and SKAMANIA COUNTY TITLE INSURANCE COMPANY, as TRUSTEE, whose address is P. O. Box 277, Stevenson, Washington, 98648, and DOUGLAS P. McKENZIE and MARLEA K. McKENZIE, husband and wife, BENEFICIARY, whose address is 307 Wana Kawok, North Bonneville, Washington, 98639.

W I T N E S S E T H :

1. Grantors hereby bargain, sell and convey to Trustee in trust, with power of sale, the following described real property in Skamania County, Washington:

Beginning at an iron rod at the intersection of the Northerly line of the Moffetts-Carpenter County Road with the Northwesterly line of the Bonneville Power Adminstrations' No. 1 and 2 Bonneville-Coulee Transmission line right-of-way, said point being North 51°30'41" East 1,464.42 feet from an iron pipe marking a witness corner to the Southwest corner of Section 16, Township 2 North, Range 7 East of the Willamette Meridian, said pipe being North 01°29'49" East from the Southwest corner of said Section 16; thence North 33°24'00" East along said Transmission line right of way line 178.17 feet; thence North 56°36'00" West 225 feet; thence South 33°24'00" West 147.68 feet; thence along the Northerly line of Moffetts-Carpenter County Road 227.06 feet to the point of beginning.

Also known as Lot 2, K. J. Peterson Short Plat, recorded July 28, 1976 under Auditor's File No. 82540, records of Skamania County, Washington.

SUBJECT TO: Transmission Easement with the Bonneville Power Administration.

which real property is not used principally for agricultural or farming purposes, together with all the tenements, hereditaments, and appurtenances now or hereafter thereunto belonging or in any wise appertaining, and the rents, issues and profits thereof, EXCEPT the refrigerator, kitchen table and chairs, and cleaning deposit which is relative to a tenancy and lease presently existing on the aforedescribed real property.

2. This Deed of Trust is for the purpose of securing performance of each agreement of Grantors contained herein and payment of the sum of Twenty Nine Thousand and 00/100 Dollars ($29,000.00) with interest in accordance with the terms of a Promissory Note of even date herewith payable to Beneficiary or order and made by Grantors, and all renewals, modifications and

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extensions thereof.

3. This Deed of Trust is subordinate to an existing Real Estate Mortgage against the above described property (hereinafter "Mortgage") dated December 28, 1977 with Beneficiary as mortgagor and Clark County School Employees Credit Union of Vancouver, Washington as mortgagee, as recorded on January 3, 1978, in Volume 55 of Mortgages, at Page 41, Auditor's No. 85542, records of the Auditor of Skamania County, Washington. Said Mortgage secures an indebtedness in favor of said of credit union in the amount of Twenty Four Thousand Seven Hundred Fifty and 00/100 Dollars ($24,750.00), which is Beneficiary's obligation. It is agreed that Beneficiary shall continue to pay and discharge their obligation under the terms of said Mortgage, and to hold Grantors harmless from any liability in connection therewith. Should Beneficiary fail in any manner to comply with said terms and conditions, the Grantors herein may, at his option, make such required payments and credit any and all such payments so made against the unpaid balance of their obligations secured by this Deed of Trust.

4. Notwithstanding the foregoing, Grantors acknowledge that said Mortgage has the following clause:

> III. In order to more fully protect the security of this mortgage the mortgagor, together with and in addition to the monthly installments of principal and interest payable under the terms of the note secured hereby, on the first day of each month until the said note is fully paid, will pay to the mortgagee the following sums:
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> a. A sum equal to the ground rents, if any, next due, plus the premiums that will next become due and payable on policies of fire and other hazard insurance covering the mortgaged property, plus 1/12 of the taxes and assessments next due on the mortgaged property (all as estimated by the mortgagee), less all sums already paid therefor, divided by the number of months to elapse before one (1) month prior to the date when such ground rents, premiums, taxes and assessments will become delinquent, such sums to be held by the mortgagee in trust to pay said ground rents, premiums, taxes and special assessments.

Grantors agree that they shall pay, as assessed by Clark County School Employees Credit Union, the sums deemed due pursuant to the foregoing Mortgage clause. Said sums are in the approximate amount of Forty and 00/100 Dollars ($40.00) per month.

5. To protect the security of this Deed of Trust, Grantors covenant and agree:

a. To keep the property in good condition and repair; to permit no waste thereof; to complete any building, structure or improvement being built or about to be built thereon; to restore promptly any building, structure, or improvement thereon which may be damaged or destroyed; and to comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting the property.

b. To pay before delinquent all lawful taxes and

assessments upon the property; to keep the property free and clear of all other charges, liens or encumbrances impairing the security of this Deed of Trust.

c. To keep all buildings now or hereafter erected on the property described herein continuously insured against loss by fire or other hazards in an amount not less than the total debt secured by this Deed of Trust. All policies shall be held by the Beneficiary, and be in such companies as the Beneficiary may approve, and have loss payable first to the Beneficiary as its interest may appear and then to the Grantor. The amount collected under any insurance policy may be applied upon any indebtedness hereby secured in such order as the Beneficiary shall determine. Such application by the Beneficiary shall not cause discontinuance of any proceedings to foreclose this Deed of Trust. In the event of foreclosure, all rights of the Grantor in insurance policies then in force shall pass to the purchaser at the foreclosure sale.

d. Grantors agree that in the event they convert the real property to a use other than as a single family residence, that is, to commercial or business use, which will be open to the general public or business invitees, Grantors shall acquire and maintain liability insurance. Said liability insurance shall name the Beneficiary as an additional party insured. Said liability insurance shall be in limits of not less than $300,000 per occurrence for bodily injury and not less than $100,000 per occurrence for property damage. Certificates evidencing said liability insurance shall be furnished to Beneficiary upon conversion of the use of the property to commercial and/or business use.

e. To defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee, and to pay all costs and expenses, including cost of title search and attorney's fees in a reasonable amount, in any such action or proceeding, and in any suit brought by Beneficiary to foreclose this Deed of Trust.

f. To pay all costs, fees and expenses in connection with this Deed of Trust, including the expenses of the Trustee incurred in enforcing the obligation secured hereby and Trustee's and attorney's fees actually incurred, as provided by statute.

g. Should Grantors fail to pay when due any taxes, assessments, insurance premiums, liens, encumbrances or other charges against the property hereinabove described, Beneficiary may pay the same and the amount so paid, with interest at the highest rate allowable by law on the date of such payment, shall be added to and become a part of the debt secured in this Deed of Trust.

IT IS MUTUALLY AGREED THAT:

a. In the event any portion of the property is taken or damaged in an eminent domain proceeding, the entire amount of the award or such portion thereof as may be necessary to fully satisfy the obligation secured hereby, shall be paid to Beneficiary to be applied to said obligation.

b. By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive its right to require prompt payment when due of all other sums so secured or to declare default for failure to so pay.

c. The Trustee shall reconvey all or any part of the property covered by this Deed of Trust to the person entitled thereto, on written request of the Grantor and the Beneficiary,

or upon satisfaction of the obligation secured and written request for reconveyance made by the Beneficiary or the person entitled thereto.=

d. Upon default by Grantor in the payment of any indebtedness secured hereby or in the performance of any agreement contained herein, all sums secured hereby shall immediately become due and payable at the option of the Beneficiary. In such event and upon written request of Beneficiary, Trustee shall sell the trust property in accordance with the Deed of Trust Act of the State of Washington (as amended) at public auction to the highest bidder. Any person except Trustee may bid at Trustee's sale. Trustee shall apply the proceeds of the sale as follows:

FIRST: To the expense of the sale, including a reasonable Trustee's fee and attorney's fee;

SECOND: To the obligation secured by this Deed of Trust;

THIRD: The surplus, if any, shall be distributed to the persons entitled thereto or may be deposited (less clerk's filing fee) with the clerk of the superior court in the county in which the sale takes place.

e. Trustee shall deliver to the purchaser at the sale its deed, without warranty, which shall convey to the purchaser the interest in the property which Grantor had or had the power to convey at the time of his execution of this Deed of Trust, and such as he may have acquired thereafter. Trustee's deed shall recite the facts showing that the sale was conducted in compliance with the Deed of Trust Act of the State of Washingtonn, and shall be conclusive evidence thereof in favor of bona fide purchasers and encumbrancers for value.

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

g. In the event of the death, incapacity, disability or resignation of Trustee, Beneficiary may appoint in writing a successor Trustee, and upon the recording of such appointment in the mortgage records of the county in which this Deed of Trust is recorded, the successor Trustee shall be vested with all powers of the original Trustee. The Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Grantor, Trustee or Beneficiary shall be a party unless such action or proceeding is brought by the Trustee.

h. This Deed of Trust applies to, inures to the benefit of, and is binding not only on the parties hereto but on their heirs, devisees, legatees, administrators, executors, successors and assigns. The term "Beneficiary" shall mean the holder and owner of the note secured hereby, whether or not named as Beneficiary herein.

GRANTORS:

VADIM KRIJANOVSKY, in his capacity as an individual

BIBA HOT SPRINGS DEVELOPMENT COMPANY, a limited partnerhsip

By
VADIM KRIJANOVSKY

Office/Title President General Partner

BIBA HOT SPRINGS, INC., a corporation

By
VADIM KRIJANOVSKY

Office/Title President

BENEFICIARY:

DOUGLAS P. McKENZIE

MARLEA K. McKENZIE

Unofficial Copy

STATE OF Oregon)
: ss.
COUNTY OF Multnomah)

On this day personally appeared before me VADIM KRIJANOVSKY, to me known to be the individual described in and who executed the within and foregoing All-Inclusive Deed of Trust, and acknowledged to me that he signed the same as his free and voluntary act and deed for the uses and purposes therein mentioned.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this 23 day of July, 1984.

Robert McAlder
NOTARY PUBLIC in and for the State of Oregon 11/26/84,
Residing at 1500 SW Main Port OR

STATE OF Oregon)
: ss.
COUNTY OF Multnomah)

On this day personally appeared before me VADIM KRIJANOVSKY, to me known to be the president general partner of BIBA HOT SPRINGS DEVELOPMENT COMPANY, the limited partnership and corporation that executed the within and foregoing All-Inclusive Deed of Trust, and acknowledged the said instrument to be the free and voluntary act and deed of said limited partnership and corporation, for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the said instrument and that the seal affixed is the corporate seal of the corporation.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this 23 day of July, 1984.

Robert McAlder
NOTARY PUBLIC in and for the State of Oregon 11/26/84
Residing at 1500 SW Main Main Port OR 97219

STATE OF Oregon)
: ss.
COUNTY OF Multnomah)

On this day personally appeared before me VADIM KRIJANOVSKY, to me known to be the president of BIBA HOT SPRINGS, INC., the corporation that executed the within and foregoing All-Inclusive Deed of Trust, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the said instrument and that the seal affixed is the corporate seal of the corporation.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this 23 day of July, 1984.

Robert McAlder
NOTARY PUBLIC in and for the State of Oregon 11/26/84
Residing at 1500 SW Main Main Port OR

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STATE OF Washington)
: ss.
COUNTY OF Skamania)

On this day personally appeared before me DOUGLAS P. MCKENZIE and MARLEA K. MCKENZIE, to me known to be the individuals described in and who executed the within and foregoing All-Inclusive Deed of Trust, and acknowledged to me that they signed the same as their free and voluntary acts and deeds for the uses and purposes therein mentioned.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this 25TH day of July, 1984.

Kimberly Daugherty
NOTARY PUBLIC in and for the State of Washington,
Residing at Carson

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REQUEST FOR FULL RECONVEYANCE

Do not record. To be used only when note has been paid.

TO: TRUSTEE.

The undersigned is the legal owner and holder of the note and all other indebtedness secured by the within Deed of Trust. Said note, together with all other indebtedness secured by said Deed of Trust, has been fully paid and satisfied; and you are hereby requested and directed, on payment to you of any sums owing to you under the terms of said Deed of Trust, to cancel said note above mentioned and all other evidences of indebtedness secured by said Deed of Trust delivered to you herewith, together with the said Deed of Trust, and to reconvey, without warranty, to the parties designated by the terms of said Deed of Trust, all the estate now held by you thereunder.

DATED this _____ day of _____, 19____.

_____

_____

STATE OF WASHINGTON)
COUNTY OF SKAMANIA) ss
I HEREBY CERTIFY THAT THE WITHIN
INSTRUMENT OF WRITING WAS FILED BY
_____
OF _____
AT _____ 19__
AND WAS RECORDED IN BOOK 60
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RECORDS OF SAID COUNTY WITH
_____
COUNTY AUDITOR
_____ DEPUTY

EXHIBIT "B" - 7

Official Copy