

TRUST DEED

This trust deed made March 18, 1986, between Mary I. Isaacson, as her separate property, as trustor, whose address is Star Route, City of Cook, County of Clark, State of Washington and Clark County Title Co., as trustee, whose address is 1201 Main Street, City of Vancouver, County of Clark, State of Washington, and Parclays American/Industrial Inc., as beneficiary, whose address is 516 SE Chkalov Dr. Suite 41, City of Vancouver, County of Clark, State of Washington.

Witnesseth: That trustor conveys and warrants to trustee in trust, with power of sale, the following described property, situated in the County of XXXXX Skamania, State of Washington:

The following described property located in the County of Skamania, State of Washington.

Lot 1 of Short Plats, recorded in Volume 2 of Short Plats, page 43, as described as follows:

The East 208 feet of the North 214 feet of the Southeast Quarter of the Southwest Quarter of the Southwest Quarter of Section 11, Township 3 North, Range 9 East of the Willamette Meridian;

EXCEPT that portion of Cook-Underwood Road, as shown on the Short Plat recorded in Volume 2 of Short Plats, page 43, recorded under Auditor's File No. 86050.

which real property is not used principally for agricultural or farming purposes, together with all buildings, fixtures, and improvements thereon, and all water rights, rights of way, easements, rents, issues, profits, income, tenements, hereditaments, privileges, and appurtenances thereunto belonging, now or hereafter used or enjoyed with the property, or any part thereof, subject, however, to the right, power, and authority herein given to and conferred on beneficiary to collect and apply such rents, issues, and profits;

For the purpose of securing: (1) payment of the indebtedness and all other lawful charges evidenced by a promissory note of even date herewith, having a total of payments of Thirty six thousand two hundred forty six and no cents Dollars (\$ 36246.00), made by trustor, payable to the order of beneficiary at all times, in the manner and with interest as therein set forth, and any extensions and/or renewals or modifications thereof; (2) the performance of each agreement of trustor herein contained; (3) the payment of such additional loans or advances as hereafter may be made to trustor, or his successors or assigns, when evidenced by a promissory note or notes reciting that they are secured by this trust deed; and (4) the payment of all sums expended or advanced by beneficiary under or pursuant to the terms hereof, together with interest thereon as herein provided.

To protect the security of this trust deed, trustor agrees:

1. To keep the property in good condition and repair; not to remove or demolish any building thereon; to complete or restore promptly and in good and workmanlike manner any building that may be constructed, damaged, or destroyed thereon; to comply with all laws, covenants, and restrictions affecting the property; not to commit or permit waste thereof; not to commit, suffer or permit any act on the property in violation of law; to do all other acts which from the character or use of the property may be reasonably necessary, the specific enumerations herein not excluding the general.

If the loan secured hereby or any part thereof is being obtained for the purpose of financing construction of improvements on the property, trustor further agrees: (a) to commence construction promptly and to pursue the same with reasonable diligence to completion in accordance with plans and specifications satisfactory to beneficiary, and (b) to allow beneficiary to inspect the property at all times during construction.

On presentation to trustee of an affidavit signed by beneficiary setting forth facts showing a default by trustor under this paragraph, trustee is authorized to accept as true and conclusive all facts and statements therein, and to act thereon as provided herein.

2. To provide and maintain insurance against loss by fire and other such casualties as beneficiary may require in an amount, for such term, and in a company or companies satisfactory to beneficiary with loss payable clauses in favor of and in a form satisfactory to beneficiary. In the event of loss or damage, trustor shall give immediate notice to beneficiary. Beneficiary may make proof of loss and settle and adjust all claims thereunder, applying the proceeds at its option to reduction of the amount due hereunder or to the restoration or repair of the property damaged. Payment of such loss may be made directly to beneficiary. In the event of the refusal or neglect of trustor to provide insurance or to maintain the same or to renew the same in a manner satisfactory to beneficiary, then beneficiary may itself procure and maintain such insurance and charge the cost thereof to trustor under the provisions of Paragraph 7 hereof.

3. To deliver to, pay for and maintain with beneficiary until the indebtedness secured hereby is paid in full, such evidence of title as beneficiary may require, including abstracts of title or policies of title insurance and any extensions or renewals thereof or supplements thereto.

4. To appear in and defend any action or proceeding purporting to affect the security hereof, the title to the property, or the rights or powers of beneficiary or trustee; and should beneficiary or trustee elect to also appear in or defend any such action or proceeding, to pay all costs and expenses, including cost of evidence of title and attorneys' fees in a reasonable sum incurred by beneficiary or trustee.

5. To pay at least ten (10) days before delinquency all taxes and assessments affecting the property, to pay when due all encumbrances, charges, and liens with interest on the property or any part thereof that at any time appear to be prior or superior hereto; to pay all costs, fees, and expenses of this trust.

6. Should trustor fail to make any payment or do any act as herein provided, then beneficiary or trustee, but without obligation to do so and without notice to or demand on trustor and without releasing trustor from any obligation hereof, may make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, beneficiary or trustee being authorized to enter on the property for such purposes; commence, appear in, and defend any action or proceeding purporting to affect the security hereof or the rights or powers of beneficiary or trustee; pay, purchase, contest or compromise any encumbrance, charge or lien, which in the judgment of either appears to be prior or superior hereto; and in exercising any such powers, incur any liability, expend whatever amounts in its absolute discretion it may deem necessary therefor, including cost of evidence of title, employ counsel, and pay his reasonable fees.

7. To pay immediately and without demand all sums expended hereunder by beneficiary or trustee, with interest from date of expenditure at rate of twelve percent (12%) per annum on note until paid, and the repayment thereof shall be secured hereby.

8. Not to voluntarily transfer or agree to transfer the premises or any part hereof without first obtaining the prior written consent of beneficiary. Any such transfer, if beneficiary shall not so consent, shall constitute a breach of grantor's agreement and a default under the terms hereof and the note it secures. "Transfer" includes, without limitation, sales under a land sale contract, assumptions of this trust deed, and transfers by operation of law.

It is mutually agreed that:

9. Should the property or any part thereof be taken or damaged by reason of any public improvement or condemnation proceeding, or damaged by fire or earthquake or in any other manner, beneficiary shall be entitled to all compensation, awards, and other payments or relief therefor, and shall be entitled at its option to commence, appear in and prosecute in its own name any action or proceedings, or to make any compromise or settlement, in connection with such taking or damage. All such compensation, awards, damages, rights of action, and proceeds, including the proceeds of any policies of fire and other insurance affecting the property, are hereby assigned to beneficiary, who may, after deducting therefrom all its expenses, including attorneys' fees, apply the same on any indebtedness secured hereby. Trustor agrees to execute such further assignments of any compensation, award, damages, and rights of action and proceeds as beneficiary or trustee may require.

10. At any time and from time to time on written request of beneficiary, payment of its fees and presentation of this trust deed and the note for indorsement (in case of full reconveyance, or cancellation and retention), without affecting the liability of any person for the payment of the indebtedness secured hereby, trustee may (a) consent to the making of any map or plat of the property; (b) join in granting any easement or creating any restriction thereon; (c) join in any subordination or other agreement affecting this trust deed or the lien or charge thereof; (d) reconvey, without warranty, all or any part of the property. The grantee in any reconveyance may be described as "the person or persons entitled thereto", and the recitals therein of any matters or facts shall be conclusive proof of the truthfulness thereof. Trustor agrees to pay reasonable trustee's fees for any of the services mentioned in this paragraph.

11. On any default by trustor hereunder, beneficiary may at any time, without notice, either in person or by agent and without regard to the adequacy of any security for the indebtedness secured, enter on and take possession of the property or any part thereof; and that the entering on and taking possession of the property shall not cure any default or waive any notice of default or invalidate any act done pursuant to such notice.

12. The failure on the part of beneficiary to promptly enforce any right hereunder shall not operate as a waiver of such right and the waiver by beneficiary of any default shall not constitute a waiver of any other or subsequent default.

13. If grantor applies to beneficiary for consent to transfer, then beneficiary can consider the prospective transferee as a new loan applicant, taking into consideration all factors which it deems necessary to protect its security. As a condition of its consent to transfer, beneficiary may, in its discretion, impose an assumption fee in accordance with a schedule then in effect, and may increase the interest rate of the remaining indebtedness to the prevailing rate for similar loans at that time. Beneficiary may then increase the amount of each installment so that the loan will be fully paid by the original maturity date. In no event may beneficiary increase the rate of interest, or impose any fee, beyond the maximum rate permitted by law. If beneficiary consents to a transfer, that consent does not constitute a waiver of this section regarding subsequent transfers. Following a consent to transfer, beneficiary may consent to modify other terms of this trust deed or security agreement and note.

14. On default by the trustor hereunder of any indebtedness herein secured or in the performance of any agreement hereunder, beneficiary may at its option declare all sums secured immediately due and payable. In such event beneficiary may, at its election, proceed to foreclose this deed of trust in the manner provided by law for mortgage foreclosures, or direct the trustee to foreclose this deed of trust by advertisement and sale.

15. On default by trustor and receipt of written request from beneficiary, trustee shall proceed in accordance with law to sell the property at public auction to the highest bidder, the purchase price payable in lawful money of the United States at the time of sale. Any person except trustee may bid at the sale. Trustee shall apply the proceeds of the sale as follows: (1) to the expense of sale, including reasonable fees of trustee and trustee's attorney; (2) to the obligation herein secured; (3) the surplus, if any, shall be distributed to the persons entitled thereto.

16. For any reason permitted by law, beneficiary may at any time appoint or cause to be appointed a successor trustee who shall succeed to all the title, powers, duties and authority of the trustee named herein or any successor trustee.

17. If beneficiary institutes any suit or action or enforces any of the terms of this deed and security agreement, beneficiary shall be entitled to recover such sums as the Court may adjudge reasonable as attorneys' fees at trial and on any appeal. Whether or not any court action is involved, all reasonable expenses incurred by beneficiary that are necessary at any time in its opinion for the protection of its interest or the enforcement of its rights shall become a part of the indebtedness payable on demand and shall bear interest from the date of expenditure until repaid at the rate of twelve percent (12%) per annum or at the rate of the Note, whichever is higher. Expenses covered by this paragraph include (without limitation) all attorneys' fees incurred by beneficiary, whether or not there is a lawsuit, the cost of searching records, obtaining title reports (including foreclosure reports), surveyors' reports, appraisal fees, title insurance, and fees for the trustee. If grantor consists of more than one person or entity, the obligations imposed upon grantor under this deed shall be joint and several.

18. This trust deed shall apply to, inure to the benefit of and bind all parties hereto, their heirs, legatees, devisees, administrators, executors, successors, and assigns. All obligations of trustor hereunder are joint and several. The term beneficiary shall mean the owner and holder, including any pledgee, of the note secured hereby. In this trust deed, whenever the test so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

19. Trustee accepts this trust when this trust deed, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other trust deed or of any action in which trustor, beneficiary, or trustee shall be a party, unless brought by trustee.

20. This trust deed shall be construed according to the laws of the State of Washington.

21. The undersigned trustor requests that a copy of any notice of default and of any notice of sale hereunder be mailed to him at the address hereinbefore set forth.

22. The trustor covenants and agrees to and with the beneficiary and those claiming under him, that he is lawfully seized in fee simple of said described real property and has a valid unencumbered title and that he will warrant and forever defend the same against all persons whomsoever.

In witness whereof, the trustor has caused these presents to be executed the day and year first above written.

WITNESSED:

[Signature]

State of Washington

ACKNOWLEDGEMENT

State of Washington

County of Clark, ss:

On the 18th day of March, 19 86, personally appeared before me, Mary I. Isaacson, spouses, the signers of the above instrument, who duly acknowledged to me that they executed the same.

My commission expires March 1, 1990

[Signature]

Notary Public

Trustor REAL ESTATE EXCISE TAX
MAR 24 1986

Trustor PAID NA

[Signature]

SKAMANIA COUNTY TREASURER

CARY M. OLSON