

VA Form 26-8593 (Home Loan)
July 1974
Section 1810, Title 38, U.S. Code
Acceptable to Federal National
Mortgage Association

WASHINGTON

DEED OF TRUST

THIS DEED OF TRUST, is made this 14th day of APRIL, 1986, BETWEEN
JOSEPH F. PESENDORFER and MARILYN R. PESENDORFER, as Grantor, whose address
is MPO 19L Malfait Tracts Road, Washougal, WA 98671, and
TICOR TITLE INSURANCE COMPANY, as Trustee, whose address is
1008 Western Ave., #200, Seattle, WA 98104, and
MASON-MCDUFFIE MORTGAGE CORPORATION, A DELAWARE CORPORATION
as Beneficiary, whose address is
1550 Parkside Drive, Walnut Creek, CA 94596

Grantor hereby irrevocably grants, bargains, sells and conveys to Trustee in trust, with power of sale, the following
described property in SKAMANIA County, Washington:

The West 80 feet of Lot 5, MALFAIT RIVER FRONT TRACTS in Section 31, Township 2 North,
Range 5 E.W.M., according to the official Plat thereof, on file and of record at
page 123 of Book "A" of Plats, record of Skamania County, Washington.

TOGETHER WITH all the tenements, hereditaments, and appurtenances now or hereafter thereunto belonging or in anywise
appertaining, and the rents, issues and profits thereof; and all fixtures now or hereafter attached to or used in connection
with the premises herein described; and in addition thereto the following described household appliances, which are and shall
be deemed to be, fixtures and a part of the realty, and are a portion of the security for the indebtedness herein mentioned:

To the extent that any of the property described herein may be subject to the provisions of the Uniform Commercial Code,
this deed of trust is a security agreement, granting to beneficiary, as secured party, a security interest in any such property,
and the grantor agrees to execute such financing statements as may be required by the beneficiary and pay, upon demand,
filing fees for any such financing statements and continuations thereof.

The real property conveyed by this deed of trust is not used principally for agricultural or farming purposes.

THIS DEED IS FOR THE PURPOSE OF SECURING PERFORMANCE of each agreement of Grantor herein
AND NO/100
contained and payment of the sum of SEVENTY FOUR THOUSAND EIGHT HUNDRED NINETY Dollars
(\$ 74,890.00) with interest thereon according to the terms of a promissory note of even date herewith, payable to the
order of Beneficiary and made by Grantor; and also such further sums as may be advanced or loaned by Beneficiary to
Grantor, or any of their successors or assigns, together with interest thereon at such rate as shall be agreed upon.

The Grantor covenants and agrees as follows:

1. That he will pay the indebtedness, as hereinafter provided. Priority is reserved to prepay at any time, without
premium or fee, the entire indebtedness or any part thereof not less than the amount of one installment, or one hundred
dollars (\$100.00), whichever is less. Prepayment in full shall be credited on the date received. Partial prepayment, other than
on an installment due date, need not be credited until the next following installment due date or thirty days after such
prepayment, whichever is earlier.

2. Grantor agrees to pay to Beneficiary together with and in addition to the monthly payments of principal and
interest payable under the terms of the note secured hereby, on the first day of each month until said note is fully paid.

(a) A sum, as estimated by the Beneficiary, equal to the ground rents, if any, and the taxes and special assessments
next due on the premises covered by this Deed of Trust, plus the premiums that will next become due and payable
on such insurance policies as may be required under paragraph 9 hereof, satisfactory to Beneficiary, Grantor
agreeing to deliver promptly to Beneficiary all bills and notices therefor, 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 Beneficiary in trust to pay said ground
rents, premiums, taxes and special assessments.

(b) All payments mentioned in the preceding subsection of this paragraph and all payments to be made under the note
secured hereby shall be added together and the aggregate amount thereof shall be paid by the Grantor each month
in a single payment to be applied by Beneficiary to the following items in the order set forth:

- (I) ground rents, if any, taxes, special assessments, fire and other hazard insurance premiums;
- (II) interest on the note secured hereby; and
- (III) amortization of the principal of said note.

(c) Any deficiency in the amount of any such aggregate monthly payment shall, unless made good by the Grantor
prior to the due date of the next such payment, constitute an event of default under this Deed of Trust. The
arrangement provided for in paragraph 2 is solely for the added protection of the Beneficiary and entails no
responsibility on the Beneficiary's part beyond the allowing of due credit, without interest, for the sums actually
received by it. Upon assignment of this Deed of Trust by the Beneficiary, any funds on hand shall be turned over

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to the assignee and any responsibility of the assignor with respect thereto shall terminate. Each transfer of the property that is the subject of this Deed of Trust shall automatically transfer to the Grantee all rights of the Grantor with respect to any funds accumulated hereunder.

3. At beneficiary's option grantor will pay a "late charge" not exceeding four per centum (4%) of any installment when paid more than fifteen (15) days after the due date thereof to cover the extra expense involved in handling delinquent payments, but such late charge shall not be payable out of the proceeds of any sale made to satisfy the indebtedness secured hereby, unless such proceeds are sufficient to discharge the entire indebtedness and all proper costs and expenses secured thereby.

4. If the total of the payments made under (a) of paragraph 2 shall exceed the amount of payments actually made by Beneficiary for ground rents, taxes, assessments and insurance premiums, such excess may be credited by Beneficiary on subsequent payments to be made by Grantor. If, however, the monthly payments made under (a) of paragraph 2, shall not be sufficient to pay ground rents, taxes, assessments and insurance premiums, when the same shall become due and payable, Grantor shall pay to Beneficiary any amount necessary to make up the deficiency on or before the date when the payment of such ground rent, taxes, assessments, or insurance premiums shall be due. If at any time Grantor shall tender to Beneficiary, in accordance herewith, full payment of the entire indebtedness secured hereby, Beneficiary shall, in computing the amount of indebtedness, credit to the account of Grantor any credit balance remaining under the provisions of (a) of paragraph 2. If there shall be a default under any of the provisions of this Deed of Trust and thereafter a sale of the premises in accordance with the provisions hereof, or, if the Beneficiary acquires the property otherwise after default, the Beneficiary shall apply, at the time of commencement of such proceedings, or at the time the property is otherwise acquired, the balance then remaining in the funds accumulated under (a) of paragraph 2, less such sums as will become due and payable during the pendency of the proceedings, as a credit against the amount of principal then remaining unpaid under said note.

5. To keep the property in good order and condition and not to commit or permit any waste thereof. To allow Beneficiary to inspect the property at any time during reasonable hours.

6. To complete or restore promptly and in good workmanlike manner any building or improvement which may be constructed, damaged or destroyed thereon, and pay when due all costs incurred therefor, and, if the loan secured hereby or any part thereof is being obtained for the purpose of financing construction of improvements on said property, Grantor further agrees:

- (a) To commence construction promptly and in any event within thirty (30) days from the date of the commitment of the Beneficiary, and complete same in accordance with plans and specifications satisfactory to Beneficiary.
- (b) To complete all buildings or other structures being or about to be built thereon within six (6) months from date hereof.
- (c) To replace any work or materials unsatisfactory to Beneficiary, within fifteen (15) days after written notice to Grantor of such fact.
- (d) That work shall not cease on the construction of such improvements for any reason whatsoever for a period of fifteen (15) consecutive days.

The Trustee, upon presentation to it of an affidavit signed by Beneficiary, setting forth facts showing a default by Grantor under this numbered paragraph, is authorized to accept as true and conclusive all facts and statements therein, and to act thereon hereunder.

7. Not to remove or demolish any building, improvements thereon or any fixtures or other property in or used in connection with said building or improvements.

8. To comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting said property.

9. To keep the buildings, improvements and fixtures now existing or hereafter erected on the mortgaged property insured as may be required from time to time by the Beneficiary against loss by fire and other hazards, casualties and contingencies in such amounts and for such periods as may be required by the Beneficiary and will pay promptly, when due, any premiums on such insurance provisions for payment of which has not been made heretofore. All insurance shall be carried in companies approved by the Beneficiary and the policies and renewals thereof shall be held by the Beneficiary and have attached thereto loss payable clauses in favor of and in form acceptable to the Beneficiary. In event of loss Grantor will give immediate notice by mail to the Beneficiary, who may make proof of loss if not made promptly by Grantor, and each insurance company concerned is hereby authorized and directed to make payment for such loss directly to Beneficiary instead of to Grantor and Beneficiary jointly, and the insurance proceeds, or any part thereof, may be applied by the Beneficiary at its option either to the reduction of the indebtedness hereby secured or to the restoration or repair of the property damaged. In event of foreclosure of this Deed of Trust or other transfer of title to the subject property an extinguishment of the indebtedness secured hereby, all right, title and interest of the Grantor in and to any insurance policies then in force shall pass to the purchaser or grantee.

10. To appear in and defend any suit, action or proceeding that might affect the value of this security instrument or the security itself or the rights or powers of Beneficiary or Trustee, and should Beneficiary or Trustee elect also to appear in or defend any such action or proceeding the Grantor will, at all times, indemnify from, and, on demand reimburse Beneficiary or Trustee for any and all loss, damage, expense or cost, including cost of evidence of title and attorney's fees, arising out of or incurred in connection with any such suit, action or proceeding, and the sum of such expenditures shall be secured by this Deed of Trust with interest as provided in the note secured hereby and shall be due and payable on demand. To pay all costs of suit, cost of evidence of title and a reasonable attorney's fee in any proceeding or suit brought by Beneficiary to foreclose this Deed of Trust.

11. To pay at least ten (10) days before delinquent all rents, taxes, assessments and encumbrances, charges or liens with interest, that may now or hereafter be levied, assessed or claimed upon the property that is the subject of this Deed of Trust or any part thereof, which at any time appear to be prior or superior hereto for which provision has not been made heretofore, and upon request will exhibit to Beneficiary official receipts therefor, and to pay all taxes, reasonable costs, fees and expenses of this Trust; on default hereunder Beneficiary may, at its option, pay, or pay out of reserves accumulated under paragraph 2, any such sums, without waiver of any other right of Beneficiary by reason of such default of Grantor, and Beneficiary shall not be liable to Grantor for a failure to exercise any such option.

12. To repay immediately on written notice to Grantor all sums expended or advanced hereunder by or on behalf of Beneficiary or Trustee, with interest from the date of such advance or expenditure at the rate provided on the principal debt, and the repayment thereof shall be secured hereby. Failure to repay such expenditure or advance and interest thereon within ten (10) days of the mailing of such notice will, at Beneficiary's option, constitute an event of default hereunder, or, Beneficiary may, at its option, commence an action against Grantor for the recovery of such expenditure or advance and interest thereon, and in such event Grantor agrees to pay, in addition to the amount of such expenditure or advance, all costs and expenses incurred in such action, together with a reasonable attorney's fee.

13. Upon the request of the Beneficiary, the Grantor shall execute and deliver a supplemental note or notes for the sum or sums advanced by the beneficiary for the alteration, modernization, improvement, maintenance, or repair of said premises, for taxes or assessments against the same and for any other purpose authorized hereunder. Said note or notes shall