WHEN RECORDED RETURN TO:
THE BENJ. FRANKLIN FEDERAL SAVINGS AND
LOAN ASSOCIATION FHA/VA CLOSING DEPT.
501 S.E. HAWTHORNE BOULEVARD, PORTLAND, OREGON 97214

PLEASE INITIAL J.C.H. JH

[redacted]-569-0207332 748
BF#: 007129-0
BOOK 103 PAGE 430

STATE OF WASHINGTON

102253

DEED OF TRUST

This form is used in connection with deeds of trust insured under the one- to four-family provisions of the National Housing Act.

THIS DEED OF TRUST, is made this 25th day of NOVEMBER, 19 86,

BETWEEN JOHN C. HARDHAM and JOAN CHASE HARDHAM, HUSBAND AND WIFE, as Grantor,

whose address is 9889 N.W. HOGE, PORTLAND, OREGON 97231;

and Mt. Adams Title Company, as Trustee,

whose address is 1000 E. Jewett, White Salmon, Washington 98672;

and THE BENJ. FRANKLIN FEDERAL SAVINGS AND LOAN ASSOCIATION, as Beneficiary,

whose address is 501 S.E. HAWTHORNE BOULEVARD, PORTLAND, OREGON 97214

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

LOTS 1, 2, 3, 4, 21, AND THE WEST HALF OF LOT 5, BLOCK 6, ORIGINAL TOWN OF COOKS, ACCORDING TO THE PLAT THEREOF RECORDED IN BOOK A, PAGE 33, SKAMANIA COUNTY PLAT RECORDS, STATE OF WASHINGTON.

The Rider to Deed of Trust, Exhibit "A", is incorporated herein by reference.

AKA: STAR ROUTE
COOK, WASHINGTON 98605

PLEASE INITIAL J.C.H. JH

TOGETHER WITH all the tenements, hereditaments, and appurtenances now or hereafter thereunto belonging or in anywise appertaining, and the rents, issues and profits thereof.

THIS DEED IS FOR THE PURPOSE OF SECURING PERFORMANCE of each agreement of Grantor herein contained and payment of the sum of THIRTY THOUSAND FIFTY AND NO/100---------------------------- Dollars ($ 30,050.00---) with interest thereon according to the terms of a promissory note of even date herewith, payable to Beneficiary or order 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. PRIVILEGE IS RESERVED TO PAY THE DEBT, IN WHOLE OR IN PART, ON ANY INSTALLMENT DUE DATE.

1. ~~[illegible]~~

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, the following sums:

(a) An amount sufficient to provide the Beneficiary with funds to pay the next mortgage insurance premium if this instrument and the note secured hereby are insured, or a monthly charge (in lieu of a mortgage insurance premium) if they are held by the Secretary of Housing and Urban Development, as follows:

(I) If and so long as said note and this instrument are insured or are reinsured under the provisions of the National Housing Act, an amount sufficient to accumulate in the hands of the Beneficiary one (1) month prior to its due date the annual mortgage insurance premium, in order to provide the Beneficiary with funds to pay such premium to the Secretary of Housing and Urban Development pursuant to the National Housing Act, as amended, and applicable regulations thereunder; or

(II) If and so long as said note and this instrument are held by the Secretary of Housing and Urban Development, a monthly charge (in lieu of a mortgage insurance premium) which shall be in an amount equal to one-twelfth (1/12) of one-half (1/2) per centum of the average outstanding balance due on said note computed without taking into account delinquencies or prepayments:

(b) 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; and

(c) All payments mentioned in the two preceding subsections 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) premium charges under the contract of insurance with the Secretary of Housing and Urban Development, or monthly charge (in lieu of mortgage insurance premium), as the case may be;
(II) ground rents, if any, taxes, special assessments, fire and other hazard insurance premiums;
(III) interest on the note secured hereby; and
(IV) amortization of the principal of said note.

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 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.

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3. In the event that any payment or portion thereof is not paid within fifteen (15) days commencing with the date it is due, the Beneficiary may collect, and the Grantor agrees to pay with such payment, a "late charge" of four cents (4¢) for each dollar ($1) so overdue as liquidated damages for the additional expense of handling such delinquent payments.

4. If the total of the payments made by Grantor under *(b)* of paragraph 2 shall exceed the amount of payments actually made by Beneficiary for ground rents, taxes, assessments and insurance premiums, such excess, if the loan is current, at the option of Grantor, may be credited by Beneficiary on subsequent payments to be made by Grantor, or refunded to Grantor. If, however, the monthly payments made under *(b)* 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 all payments made under the provisions of *(a)* of paragraph 2, which Beneficiary has not become obligated to pay to the Secretary of Housing and Urban Development, and any balance remaining in the funds accumulated pursuant to *(b)* 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 *(b)* 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 and properly adjust any payments which shall have been made under *(a)* of paragraph 2.

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 Department of Housing and Urban Development, 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. The property that is the subject of this Deed of Trust is not used principally or primarily for agricultural or farming purposes.

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 hereinbefore. 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 mortgage or other transfer of title to the mortgaged property in 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 Beneficiary.

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. To do all acts and make all payments required of Grantor to make said note and this Deed eligible for insurance under the National Housing Act and any amendments thereto, and all regulations promulgated thereunder, within the time and in the manner required by said Act, any amendments thereto, and said regulations, and agrees not to do, or cause or suffer to be done, any act which will void such insurance so long as any obligation hereby secured remains unfulfilled.

IT IS MUTUALLY AGREED THAT:

14. Should Grantor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Grantor and without releasing Grantor 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 upon 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.

15. Should the property or any part or appurtenance thereof or right or interest therein be taken or damaged by reason of any public or private improvement, condemnation proceeding, fire, earthquake, or in any other manner, Beneficiary may, at its option, commence, appear in and prosecute, in its own name, any action or proceeding, or make any compromise or settlement, in connection with such taking or damage, and obtain all compensation, awards or other relief therefor. All such compensation, awards, damages, rights of action and proceeds, including the proceeds of any policies of insurance affecting the property, are hereby assigned to Beneficiary, who may, after deducting therefrom all its expenses, including attorney's fees, release any monies so received by it, or apply the same on any indebtedness secured hereby or apply the same to the restoration of the property, as it may elect. Grantor agrees to execute such further assignments of any compensation, award, damages, rights of action and proceeds as Beneficiary or Trustee may require.

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

17. At any time upon written request of Beneficiary, payment of its fees and presentation of this Deed and the note for endorsement (in case of full reconveyance, for cancellation and retention), without affecting the liability of any person for the payment of the indebtedness Trustee may (a) consent to the making of any map or plat of said property; (b) join in granting any easement or creating any restriction thereon; (c) join in any subordination or other agreement affecting this Deed or the lien of 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 legally entitled thereto", and the recitals therein of any matters or facts shall be conclusive proof of the truthfulness thereof.

18. The collection of rents, issues, and profits, or the proceeds of fire and other insurance policies or compensation or awards for any taking or damage of the property, and the application or release thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

19. Upon default by Grantor in payment of any indebtedness secured hereby or in performance of any agreement hereunder or should this Deed and said note not be eligible for insurance under the National Housing Act within eight (8) months from the date hereof (written statement of any officer of the Department of Housing and Urban Development or authorized agent of the Secretary of Housing and Urban Development dated subsequent to eight (8) months' time from the date of this Deed, declining to insure said note and this Deed, being deemed conclusive proof of such ineligibility), or should the commitment of the Department of Housing and Urban Development to insure this loan cease to be in full force and effect for any reason whatsoever, Beneficiary may declare all sums secured hereby immediately due and payable. No waiver by Beneficiary of any default on the part of Grantor shall be construed as a waiver of any subsequent default hereunder.

20. 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, 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: (1) to the expense of sale, including a reasonable Trustee's fee and attorney's fee; (2) to the obligation secured by this Deed of Trust; (3) the surplus, if any, shall be distributed to the persons entitled thereto. 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 all the requirements of law and of this Deed of Trust, which recital shall be prima facie evidence of such compliance and conclusive evidence thereof in favor of bona fide purchasers and encumbrancers for value. 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 and when not exercised, Beneficiary may foreclose this Deed of Trust as a mortgage. In the event of the death, incapacity or 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.

21. This Deed shall inure to and bind the heirs, legatees, devisees, administrators, executors, successors, and assigns of the parties hereto. All obligations of Grantor hereunder are joint and several. The term "Beneficiary" shall mean the owner and holder, including pledgees, of the note secured hereby, whether or not named as Beneficiary herein. Whenever used, the singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders. If any of the provisions hereof shall be determined to contravene or be invalid under the laws of the State of Washington, such contravention or invalidity shall not invalidate any other provisions of this agreement, but it shall be construed as if not containing the particular provision or provisions held to be invalid, and all rights and obligations of the parties shall be construed and enforced accordingly.

22. Any notices to be given to Grantor by Beneficiary hereunder shall be sufficient if mailed postage prepaid, to the address of the property above described; or to such other address as Grantor has requested in writing to the Beneficiary, that such notices be sent. Any time period provided in the giving of any notice hereunder, shall commence upon the date such notice is deposited in the mail.

FILED FOR RECORD
SKAMANIA CO. WASH
BY MT. ADAMS TITLE

Nov 25 3 49 PM '86

AUDITOR
GARY M. OLSON

John C. Hardham (SEAL)
JOHN C. HARDHAM

Joan Chase Hardham (SEAL)
JOAN CHASE HARDHAM

____________________ (SEAL)

____________________ (SEAL)

STATE OF OREGON)
) ss:
COUNTY OF MULTNOMAH)

I, the undersigned, hereby certify that on this 25th day of NOVEMBER 19 86, personally appeared before me JOHN C. HARDHAM and JOAN CHASE HARDHAM to me known to be the individuals described in and who executed the within instrument, and acknowledged that they signed and sealed the same as their free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal the day and year last above written.

NOTARY PUBLIC STATE OF

Notary Public in and for the State of Oregon, residing at Hood River.
MY COMMISSION EXPIRES: MAY 23, 1988

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 ________________, 19____

____

____

Mail reconveyance to ____________________

STATE OF WASHINGTON
COUNTY OF : ss

I hereby certify that this within Deed of Trust was filed in this office for Record on the day of A.D. 19 , at o'clock m., and was duly recorded in Book of Records of Mortgages of County, State of Washington, on page

____
County Auditor

By ____________________
Deputy

Exhibit "A"

STATE OF WASHINGTON FHA NO.569-0207332-748

RIDER TO DEED OF TRUST

This RIDER to DEED OF TRUST is attached to and made a part of that DEED OF TRUST dated NOVEMBER 25, 1986, between

GRANTOR John C. Harham and Joan Chase Hardham

TRUSTEE Mt. Adams Title Company

BENEFICIARY The Benj. Franklin Federal Savings and Loan Association

1. **LUMP-SUM MORTGAGE INSURANCE PREMIUM:**
Grantor and Beneficiary acknowledge and agree that the HUD Mortgage Insurance Premium has been prepaid for the entire term of the loan secured by this Deed of Trust and will not be paid in monthly installments as required by the Deed of Trust. The terms and conditions of this Deed of Trust shall be construed and enforced consistent with such prepayment. In the event of prepayment of the loan secured by this Deed of Trust the rebate or refund of unearned mortgage insurance premium, if any, will be calculated and paid in accordance with applicable HUD rules and regulations.

2. **ADDITION TO PARAGRAPH 19:**
There is added to Paragraph 19 of the Deed of Trust the following: Beneficiary may not declare all sums secured hereby immediately due and payable because of the ineligibility for insurance under the National Housing Act if such ineligibility results from Beneficiary's failure to remit the mortgage insurance premium to the Department of Housing and Urban Development.

GRANTOR John C. Hardham

GRANTOR Joan Chase Hardham