

Grantor(s): Robert A. Sourek, Jr.
Nancy E. Sourek
Borrower(s): Bear Mountain Forest Products, Inc.
Beneficiary ("Lender"): U.S. Bank of Washington, National Association
Trustee: U. S. Bank of Washington
National Association

Date: October 5, 1990
Address: P. O. Box 42
Carson, Washington 98610
Address: 751 Frankton Road
Hood River, Oregon 97031
Address: 1070 N. W. Bond, Suite 100, P.O. Box 1799
Bend, Oregon 97701
Address: P. O. Box 3347
Portland, Oregon 97208

1. GRANT OF DEED OF TRUST. By signing below as Grantor, I irrevocably grant, bargain, sell and convey to Trustee, in trust, with power of sale, the following property located in Skamania County, State of Washington:

The North half of the North half of the Northwest quarter of the Northwest quarter of Section 8, Township 3 North, Range 8 East of the Willamette Meridian;

EXCEPT the North 148 feet of the West half of the Northwest quarter of the Northwest quarter of Section 8, Township 3 North, Range 8 East of the Willamette Meridian.

and all buildings and other improvements and fixtures now or later located on it. I also hereby assign to Lender any existing and future leases and rents from the property as additional security for the debt described below. I agree that I will be legally bound by all the terms stated in this Deed of Trust. The above described real property is not used principally for agricultural or farming purposes.

2. DEBT SECURED. This Deed of Trust and assignment of rents secures the following (check appropriate box or boxes):

☐ a. The payment of the principal, interest, credit report fees, late charges, collection costs, attorneys' fees (including any on appeal), and other amounts owing under a note ("Note") with an original principal amount of \$ _____, dated _____, signed by _____ ("Borrower") and payable to Lender, on which the last payment is due _____, 19____.

and under any extensions and renewals of any length.

☒ b. The payment of all amounts that are payable to Lender at any time under an Optional Advance Note (Name of Agreement)

("Credit Agreement") dated 10-5-90 and signed by Bear Mountain Forest Products, Inc. ("Borrower"). The Credit Agreement is for a revolving line of credit under which Borrower may obtain (in accordance with the terms of the Credit Agreement) one or more loans from Lender on one or more occasions, the total outstanding balances of which are limited to \$ 40,000.00 at the present time (but may increase or decrease from time to time). The total outstanding balance owing under the Credit Agreement, if not sooner paid, is due and payable on 12-17-90. This Deed of Trust secures the performance of the Credit Agreement, as amended from time to time, the payment of all loans payable to Lender at any time under the Credit Agreement, the payment of all interest due under the Credit Agreement, the rate of which interest may increase or decrease in accordance with the variable interest rate provision of the Credit Agreement or if Lender amends the Credit Agreement, credit report fees, late charges, membership fees, attorneys' fees (including any on appeal), collection costs and all other amounts that are payable to Lender at any time under the Credit Agreement, and any extensions and renewals of any length.

☒ c. This Deed of Trust also secures the payment of all other sums, with interest thereon, advanced under this Deed of Trust to protect the security of this Deed of Trust, and the performance of any covenants and agreements under this Deed of Trust. This Deed of Trust also secures the repayment of any future advances not made under the Credit Agreement when evidenced by a note or other evidence of debt stating that it is secured hereby, with interest thereon, made to Borrower under this Deed of Trust.

The interest rate, payment terms and balance due under the Note and under the Credit Agreement may be indexed, adjusted, renewed or renegotiated in accordance with the terms of the Note and the Credit Agreement and any extensions and renewals of the Note and Credit Agreement.

3. INSURANCE, LIENS, AND UPKEEP.

- 3.1 I will keep the property insured by companies acceptable to you with fire and theft insurance, flood insurance if the property is located in any area which is, or hereafter will be designated a special flood hazard area, and extended coverage insurance

The policy amount will be enough to pay the entire amount owing on the debt secured by this Deed of Trust or the insurable value of the property, whichever is less, despite any "co-insurance" or similar provision in the policy. The insurance policies will have your standard loss payable endorsement. No one but you has a mortgage, lien, or encumbrance, on the property, except the following "Permitted Lien(s)":

\$38,000.00 to First Interstate Bank of Oregon dated 11-9-88

- 3.2 I will pay taxes and any debts that might become a lien on the property, and will keep it free of trust deeds, mortgages, liens, and encumbrances, other than yours and the Permitted Liens just described.
- 3.3 I will also keep the property in good condition and repair and will prevent the removal of any of the Improvements.
- 3.4 If any of these things agreed to in this Section 3 are not done, you may do them and add the cost to the Note or Credit Agreement. I will pay the cost of your doing these whenever you ask, with interest at the fixed or floating rate charged under the Note or the Credit Agreement, whichever is higher. Even if you do these things, my failure to do them will be a default under Section 6, and you may still use other rights you have for the default.

4. DUE-ON-SALE. I agree that you may, at your option, declare due and payable all sums secured by this Deed of Trust if all or any part of the property, or an interest in the property, is sold or transferred. If you exercise the option to accelerate I know that you may use any default remedies permitted under this Deed of Trust and applicable

law. I know that you may exercise your rights under this due-on-sale provision each time all or any part of the property, or an interest in the property, is sold or transferred, whether or not you exercised your rights on any previous sales or transfers.

5. PROTECTING YOUR INTEREST. I will do anything that may now or later be necessary to perfect and preserve this Deed of Trust, and I will pay all recording fees and other fees and costs involved.

6. DEFAULT. It will be a default:

- 6.1 If you don't receive any payment on the debt secured by this Deed of Trust when it is due;
- 6.2 If I fail to keep any agreement or breach any warranties, representations or covenants I have made in this Deed of Trust, or there is a default under any security agreement, trust deed, mortgage, or other security documents that secure any part of the debt secured by this Deed of Trust;
- 6.3 If any Co-Borrower, Grantor or I become insolvent or file or have filed against me a petition for relief under the Bankruptcy Code or a receiver is appointed for all or part of my property;
- 6.4 If I have given you a false financial statement, or if I haven't told you the truth about my financial situation, about the security, or about my use of the money;
- 6.5 If any creditor tries, by legal process, to take money from any bank account any Co-Borrower, Grantor or I may have, or tries, by legal process, to take any other money or property I may then have coming from you;
- 6.6 If any person tries or threatens to foreclose or declare a forfeiture on the property under any real estate contract; or to foreclose any Permitted Lien or other lien on the property;
- 6.7 If there is any default under any lease or sublease of the property to which I am a party or through which I derive any interest in the property.

7. YOUR RIGHTS AFTER DEFAULT. After a default you will have the

following rights and may use any one, or any combination of them, at any time.

- 7.1 You may declare the entire secured debt immediately due and payable all at once without notice.
- 7.2 Subject to any limitations imposed by applicable law, either before or after a sale of the property under a judicial foreclosure, or before a sale of the property by power of sale by the Trustee, you may sue for and recover from Borrower all amounts remaining under the Credit Agreement, under the Note, and under this Deed of Trust.
- 7.3 You may foreclose this Deed of Trust under applicable law either judicially by suit or nonjudicially under the Deed of Trust Act of Washington, RCW 61.24, as now or hereafter enacted.
- 7.4 Either in person, by agent, or by judicially appointed receiver, you may have any rents from the property collected and pay the amount received, over and above costs of collection and other lawful expenses, on the debt secured by this Deed of Trust.
- 7.5 I will be liable for all reasonable collection costs you incur, to the full extent allowed by law. If you foreclose this Deed of Trust either judicially by suit or nonjudicially under the Deed of Trust Act of Washington, I will also be liable for your reasonable attorneys' fees including any on appeal.
- 7.6 You may use any other rights you have under the law, this Deed of Trust, or other agreements.

8. HAZARDOUS SUBSTANCES.

- 8.1 Except as previously disclosed to you in writing, I represent and warrant to you that no hazardous substances are stored, located, used or produced on the property, and that to the best of my knowledge, after due and diligent inquiry, no hazardous substances are stored, located, used or produced on any adjacent property, nor have any hazardous substances been stored, located, used, produced or released on the property or any adjacent property prior to my ownership, possession or control of the property.
- 8.2 I will not cause nor permit any activities on the property which directly or indirectly could result in the release of any hazardous substance onto or under the property or any other property. I agree to provide written notice to you immediately when I become aware that the property or any adjacent property is being or has been subjected to a release of any hazardous substance.
- 8.3 You and your representatives may enter the property at any time for the purpose of conducting an environmental audit, committing only such injury to the property as may be necessary to conduct the audit. You shall not be required to remedy any such injury or compensate me therefor. I shall cooperate in all respects in the performance of the audit. I shall pay the costs of the audit if either a default exists under this Deed of Trust at the time you arrange to have the audit performed or the audit reveals a default pertaining to hazardous substances. If I refuse to permit you or your representatives to conduct an environmental audit on the property, you may specifically enforce performance of this provision.
- 8.4 I will indemnify and hold you harmless from and against any and all claims, demands, liabilities, lawsuits and other proceedings, damages, losses, liens, penalties, fines, clean-up and other costs, expenses, and attorney fees (including any on appeal) arising directly or indirectly from or out of, or in any way connected with (i) the breach of any representation, warranty, covenant, or agreement concerning hazardous substances contained in this Deed of Trust or in any other document executed by me in connection

with the debt secured by this Deed of Trust; (ii) any release onto or under the property or other property of any hazardous substance which occurs as a direct or indirect result of acts or omissions by me or my agents or independent contractors; and (iii) any release onto or under the property of any hazardous substance which occurs during my ownership, possession, or control of the property.

- 8.5 If you shall at any time, through the exercise of any of your remedies under this Deed of Trust, or by taking a deed in lieu of foreclosure, hold title to or own the property in your own right, and you discover that any hazardous substance has been stored, located, used, produced or released onto or under the property, you may, at your option, convey the property to me. I covenant and agree that I shall accept delivery of any instrument of conveyance and resume ownership of the property in the event you exercise your option hereunder to convey the property to me. You, at your sole discretion, shall have the right to record any instrument conveying the property to me and such recordation shall be deemed acceptance by me of the instrument and the conveyance.
- 8.6 All of my representations, warranties, covenants and agreements contained in this Deed of Trust regarding hazardous substances, including but not limited to my agreement to accept conveyance of the property from you and resume ownership, shall survive foreclosure of this Deed of Trust or acceptance by you of a deed in lieu of foreclosure.
- 8.7 For purposes of this Deed of Trust, the term "hazardous substances" means any substance or material defined or designated as hazardous or toxic waste, hazardous or toxic material, or a hazardous, toxic or radioactive substance (or designated by any other similar term) by any applicable federal, state or local statute, regulation or ordinance now in effect or in effect at any time during either the term of this Deed of Trust or the period of time I remain in possession, custody, or control of the property following either foreclosure of this Deed of Trust or acceptance by you of a deed in lieu of foreclosure.

9. SATISFACTION OF DEED OF TRUST. When the secured debt is completely paid off and the Credit Agreement is cancelled and terminated as to any future loans, I understand that the Lender will request Trustee to reconvey, without warranty, the property to the person legally entitled thereto. I will pay the Trustee a reasonable fee for preparation and execution of the reconveyance instrument and I will record the reconveyance at my expense.
10. CHANGE OF ADDRESS. I will give you my new address in writing whenever I move. You may give me any notices by regular mail at the last address I have given you.
11. WASHINGTON LAW APPLIES. This Deed of Trust will be governed by Washington law.
12. NAMES OF PARTIES. In this Deed of Trust "I," "me" and "my" mean Grantor(s), and "you" and "your" mean Beneficiary/Lender.

I agree to all the terms of this Deed of Trust

Robert A. Gonschke
Grantor
Nancy Saville Taylor
Grantor
Grantor

STATE OF WASHINGTON

COUNTY OF Skamania

On this day personally appeared before me The Above Named Individuals to me known to be the individual(s) described in and who executed the within and foregoing instrument, and acknowledged that they signed the same as free free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 15 day of November



Notary Public
NOTARY PUBLIC in and for the State of Washington,
residing at: Bozeman
My commission expires: 10-13-1991

REQUEST FOR RECONVEYANCE

The undersigned is the holder of the Note and/or Credit Agreement secured by this Deed of Trust. The entire obligation evidenced by the Note and/or the Credit Agreement, together with all other indebtedness secured by this Deed of Trust, have been paid in full. You are hereby directed to cancel the Note and/or the Credit Agreement and this Deed of Trust, which are delivered hereby, and to reconvey, without warranty, all the estate now held by you under the Deed of Trust to the person or persons legally entitled thereto.

Date: _____

DEED OF TRUST

After recording, return to:

Signature: _____
THIS SPACE FOR RECORDER USE

Registered
Indexed, OIR
Filed
Noted

FILED FOR RECORD
SKAMANIA CO. TITLE

Nov 20 2 07 PM '90
GARY M. OLSON