

DEED OF TRUST

THIS DEED OF TRUST, made this ____ day of March, 1991, between ROBERT G. KALLANDER and LYNNE A. KALLANDER, husband and wife, as Grantor, whose mailing address is 17661 Collie Lane, Huntington Beach, CA 92647, and KNAPP, O'DELL, LEWIS & HAGENSEN, Trustee, whose address is 430 N.E. Everett Street, Camas, WA 98607, and GALE E. ERICKSON and JUDIE L. ERICKSON, husband and wife, as Beneficiary, whose mailing address is 915 N.E. 277th Avenue, Camas, WA 98607.

W I T N E S S E T H:

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

Lot 3 of S.A.F.E. Short Plat No. 3, recorded in Book 2 of Short Plats, page 217, under Auditor's File No. 92582, being a portion of the Northwest Quarter of the Northwest Quarter of Section 3, Township 2 North, Range 5 East of the Willamette Meridian, Skamania County, Washington.

SUBJECT TO AND TOGETHER WITH a 60 foot easement for ingress, egress and utilities over and across the following described property. The centerline of which is described as follows:

That portion of the Northwest Quarter of the Northeast Quarter of Section 30, Township 2 North, Range 5 East of the Willamette Meridian, Skamania County, Washington, described as follows:

BEGINNING at the Southwest corner of the Northwest Quarter of the Northeast Quarter of said Section; thence along the West line thereof, North 00°17'08" East 168.84 feet to the Southwest corner of the land being purchased by Ronald Cummings, et ux under Contract recorded under Auditor's File No. 75269, records of said County; thence along the South line thereof; South 89°42'54" East 679 feet to the Southeast corner of said Cummings tract and the true point of beginning of said centerline description; thence North along the East line thereof, North 00°17'06" East 820.22 feet, more or less, to a point on the Southerly right of way line of the Bonneville Power Administration and the terminus of said centerline description.

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.

This Deed is for the purpose of securing performance of each agreement of Grantor herein contained, and payment of the sum of NINETEEN THOUSAND AND NO/100 DOLLARS (\$19,000.00), with interest in accordance with terms of a promissory note of even date herewith, payable to Beneficiary or order, and made by Grantor, and all renewals, modifications, and extensions thereof.

TO PROTECT THE SECURITY OF THIS DEED OF TRUST, GRANTOR COVENANTS AND AGREES:

1. 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.

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 Filed 3/24/91
 Mailed _____

2. 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; and to mail to Beneficiary all real property tax receipts, or legible copies thereof, showing real property taxes are kept current by Grantor.

3. 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 their 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.

4. 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.

5. 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.

6. Should Grantor 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 rate set forth in the note secured hereby, shall be added to and become a part of the debt secured in this Deed of Trust.

IT IS MUTUALLY AGREED THAT:

7. In the event any portion of the property is taken or damaged in any 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.

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

9. 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.

10. 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 to: (a) to the expense of the sale; (b) to the obligation secured by this Deed of Trust; (c) 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 of the county in which sale takes place.

11. 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 their 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.

12. 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.

13. As additional security hereunder, Grantor hereby assigns to Beneficiary the rents of the property, provided that Grantor shall, prior to acceleration under Paragraph 10 hereof or abandonment of the property, have the right to collect and retain such rents as they become due and payable.

Upon acceleration under Paragraph 10 hereof or abandonment of the property, Beneficiary, in person, by agent or by officially appointed receiver, shall be entitled to enter upon, take possession of and manage the property and to collect the rents of the property, including those past due. All rents collected by Beneficiary or the receiver shall be applied first to payment of the costs of management of the property and collection of rents, including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorney's fees, and then to the sums secured by this Deed of Trust. Beneficiary and the receiver shall be liable to account only for those rents actually received.

14. The Grantor acknowledges and they understand the loan secured by the aforescribed real property was personal to them and that their personal responsibility and occupancy and control of such real estate was a material inducement to the Beneficiary to enter into this loan. If the Grantor's interest and/or occupancy in such real estate shall pass from Grantor by deed, assignment, lease with the option to purchase, or otherwise, or if such real estate is sold on executory contract, then such change in title or interest or occupancy shall be deemed to increase the risk to Beneficiary, and Beneficiary, or their heirs or assigns, may, with fifteen (15) days written notice to Grantor, declare the entire promissory note balance secured by this instrument due and payable at the expiration of said fifteen (15) day period. As an alternative to declaring the entire promissory note balance secured by this instrument due and payable at the expiration of said fifteen (15) day period, Beneficiary may, at Beneficiary's option, elect to raise the interest rate on the promissory note to the maximum interest rate allowable by law as a condition to beneficiary's consent to any sale, assignment or transfer of Grantors' interest or possession in the subject property or this Deed of Trust.

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15. 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.

16. 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.

IN WITNESS WHEREOF, I have set my hand the day and year first above written.

Robert G. Kallander
Robert G. Kallander

Lynne A. Kallander
Lynne A. Kallander

"GRANTOR"

STATE OF California)
COUNTY OF Los Angeles) ss.

On this day personally appeared before me ROBERT G. KALLANDER and LYNNE A. KALLANDER, husband and wife, to me known to be the individuals in and who executed the within and foregoing instrument, and acknowledged that they signed the same as their free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 19th day of March, 1991.

Notary Public in and for the State of California, Residing at Huntington Beach.
My appointment expires: 1/31/92.



RECORDED
MAR 22 4 00 PM '91
GARY A. GORDON