

112618

BOOK 126 PAGE 565

RECORDATION REQUESTED BY:

KLICKITAT VALLEY BANK
390 NE TOHOMISH ST
P O BOX 279
WHITE SALMON, WA 98672

WHEN RECORDED MAIL TO:

KLICKITAT VALLEY BANK
390 NE TOHOMISH ST
P O BOX 279
WHITE SALMON, WA 98672

SEND TAX NOTICES TO:

TIMOTHY L. ESTEY and CHRISTINE ESTEY
P. O. BOX 173
UNDERWOOD, WA 98651



SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

DEED OF TRUST

THIS DEED OF TRUST IS DATED DECEMBER 11, 1991, among TIMOTHY L. ESTEY and CHRISTINE ESTEY, whose mailing address is P. O. BOX 173, UNDERWOOD, WA 98651 (referred to below as "Grantor"); KLICKITAT VALLEY BANK, whose mailing address is 390 NE TOHOMISH ST, P O BOX 279, WHITE SALMON, WA 98672 (referred to below sometimes as "Lender" and sometimes as "Beneficiary"); and SKAMANIA COUNTY TITLE COMPANY, whose mailing address is P. O. BOX 277, STEVENSON, WA. 98648 (referred to below as "Trustee").

CONVEYANCE AND GRANT. For valuable consideration, Grantor conveys to Trustee in trust with power of sale, right of entry and possession and for the benefit of Lender as Beneficiary, all of Grantor's right, title, and interest in and to the following described real property together with all existing or subsequently erected or affixed buildings, improvements and fixtures, all easements, rights of way and appurtenances, all water, water rights and ditch rights (including stock in utilities with ditch or irrigation rights) and all other rights, royalties and profits relating to the real property including without limitation all minerals, oil, gas, geothermal and similar matters located in SKAMANIA County, State of Washington (the "Real Property"):

SEE ATTACHED

The Real Property or its address is commonly known as 173 ESTEY ROAD, UNDERWOOD, WA 98651. The Real Property tax identification number is 03-09-25-1-1-0100-00.

Grantor hereby assigns as security to Lender, all of Grantor's right, title, and interest in and to all leases, Rents, and profits of the Property. This assignment is recorded in accordance with RCW 65.06.070; the lien created by this assignment is intended to be specific, perfected and choate upon the recording of this Deed of Trust. Lender grants to Grantor a license to collect the Rents and profits, which license may be revoked at Lender's option and shall be automatically revoked upon acceleration of all or part of the indebtedness.

DEFINITIONS. The following words shall have the following meanings when used in this Deed of Trust. Terms not otherwise defined in this Deed of Trust shall have the meanings attributed to such terms in the Uniform Commercial Code. All references to dollar amounts shall mean amounts in lawful money of the United States of America.

Beneficiary. The word "Beneficiary" means KLICKITAT VALLEY BANK, its successors and assigns. KLICKITAT VALLEY BANK also is referred to as "Lender" in this Deed of Trust.

Deed of Trust. The words "Deed of Trust" mean this Deed of Trust among Grantor, Lender, and Trustee, and includes without limitation all assignment and security interest provisions relating to the Personal Property and Rents.

Grantor. The word "Grantor" means any and all persons and entities executing this Deed of Trust, including without limitation TIMOTHY L. ESTEY and CHRISTINE ESTEY.

Guarantor. The word "Guarantor" means and includes without limitation each and all of the guarantors, sureties, and accommodation parties in connection with the indebtedness.

Improvements. The word "Improvements" means and includes without limitation all existing and future improvements, fixtures, buildings, structures, mobile homes affixed on the Real Property, located additions and other construction on the Real Property.

Indebtedness. The word "Indebtedness" means all principal and interest payable under the Note and any amounts expended or advanced by Lender to discharge obligations of Grantor or expenses incurred by Trustee or Lender to enforce obligations of Grantor under this Deed of Trust together with interest on such amounts as provided in this Deed of Trust.

Lender. The word "Lender" means KLICKITAT VALLEY BANK, its successors and assigns.

Note. The word "Note" means the Note dated December 11, 1991, in the principal amount of \$66,000.00 from Grantor to Lender together with all renewals, extensions, modifications, replacements, and substitutions for the Note. The maturity date of this Deed of Trust is December 10, 2006.

Personal Property. The word "Personal Property" means all equipment, fixtures, and other articles of personal property now or hereafter owned by Grantor, and now or hereafter attached or affixed to the Real Property, together with all accessories, parts, and additions to, all replacements of, and all substitutions for, any of such property, and together with all issues and profits thereon and proceeds (including without limitation all insurance proceeds and refunds of premiums) from any sale or other disposition of the Property.

Property. The word "Property" means collectively the Real Property and the Personal Property.

Real Property. The word "Real Property" means the property, interests, and rights described above in the "Conveyance and Grant" section.

DUE ON SALE - CONSENT BY LENDER. For so long as it is not a fully paid-for, nonexempt asset and payable amounts created by this Deed of Trust are to increase the indebtedness provided for in this Deed of Trust, the Lender, upon learning the indebtedness and expense with regard to this Deed of Trust, deems appropriate upon the sale, transfer, with or without a purchase price, whether direct or indirect, or any part of the Real Property or any interest in the Real Property. A sale or transfer means the conveyance of Real Property or any right therein, whether legal or equitable, whether voluntary or involuntary, whether by mortgage deed or instrument hereinafter listed, contract, contract for deed, leasehold interest with a term greater than three (3) years, leasehold interest in a building, assignment or transfer of any beneficial interest in or to any and each building in to the Real Property, or by any other method of conveyance of Real Property interest, if any party is a corporation or partnership, partner or member, any change of ownership of more than twenty-five percent (25%) of the voting rights for partner or member, in the, and may be of Grantor. However, this prohibition will be excused by a fully paid-for, nonexempt asset provided by federal law or by Washington law.

Payment. Grantee shall pay, when due, and in an even proportion to delinquency, all taxes, special taxes, assessments, charges, including water and sewer, fines, and penalties, levied against or on a parcel of the Property, and shall pay when due all claims for work done on or for services rendered or material furnished to the Property. Grantee shall maintain the Property free of all liens having priority over or equal to the interest of Lender under this Deed of Trust, except for the lien of taxes and assessments not due and except as otherwise provided in this Deed of Trust.

Right To Contest. Grantor may withhold payment of any fee, assessment or claim in connection with a good faith dispute over the obligation to pay, so long as Lender's interest in the Property is not jeopardized. If a lien is levied as a result of nonpayment, Grantor shall within fifteen (15) days after the lien arises and a lien is filed, within fifteen (15) days after Grantor has notice of the filing, secure the discharge of the lien, or if requested by Lender, deposit with Lender cash or a sufficient corporate surety bond (either security satisfactory to Lender in an amount sufficient to discharge the lien plus any court and attorney's fees or other charges that could accrue as a result of a foreclosure or sale under the lien) in any contest. Grantor shall defend itself and Lender and shall satisfy any adverse judgment before enforcement against the Property. Grantor shall name Lender as an additional stoppage creditor in any certificate of judgment in the contest brought on.

Evidence of Payment. Grantor hereby covenants and warrants to provide satisfactory evidence of payment of the taxes or assessments and shall authorize the appropriate governmental authority to collect, provide and file a written statement of the taxes and assessments against the Property.

Notice of Construction. Grantor shall not, Lender or its affiliates, directly or indirectly, before any work is commenced, any services are rendered or any materials are supplied to the property, if any next and best material improvement or other use could be adopted on account of the work, services or materials. Grantor will upon request of Lender furnish to Lender advance assurances satisfactory to Lender that Grantor can and will pay the cost of such improvements.

Maintenance of Insurance. Borrower shall procure and maintain to meet the minimum policy standard extended coverage endorsements on a replacement basis for the full term of all coverage at all times. In the Reg. Property is an amount sufficient to avoid application of any coverage feature, and with a standard replacement clause in favor of lender, together with such other hazard and liability insurance as lender may reasonably require. Policies may be written in Borrower's name, but coverage and claim payments applicable to lender and owed by company or companies reasonably agreeable to lender. In the event of request of lender, Borrower to lender from time to time to take the policies of sufficient insurance to meet lender's requirements. Lender, in writing applications for coverage, will not be involved or obligated without a cost of 10 days prior written notice to lender.

Application of Proceeds. Grantor shall promptly notify Lender of any known damage to the Property if the estimated cost of repair or replacement exceeds \$500.00. Lender may make good of loss if Grantor fails to do so within fifteen (15) days of the casualty. Whether or not Lender's security is impaired, Lender may, at its discretion, receive and retain the proceeds and apply the proceeds to the reduction of the indebtedness; payment of any one affecting the Property or the restoration and repair of the Property, if Lender elects to apply the proceeds to restoration and repair. Grantor shall repair or replace the damaged or destroyed improvements in a manner satisfactory to Lender. Lender shall, upon satisfactory proof of such expenditure, pay or reimburse Grantor from the proceeds for the reasonable cost of repair or restoration if Grantor is not in default under this Deed of Trust. Any proceeds which have not been disbursed within 180 days after their receipt and which Lender has not committed to the repair or restoration of the Property shall be held in trust to pay any amount owing to Lender under this Deed of Trust, then to pay accrued interest, and then in accordance with the remainder of the principal balance of the indebtedness. If Lender holds any proceeds after payment in full of the indebtedness, such proceeds shall be paid without interest to Grantor as Grantor's interest may appear.

Unexpired Insurance at Sale: Any unexpired insurance that is due to the benefit of and payable to the purchase of the Property covered by this Deed of Trust at any time prior to the date of the sale of the Property by the Beneficiary of the Deed of Trust, shall be paid to the Beneficiary of the Deed of Trust at any time after the date of the sale of the Property.

EXPENDITURES BY LENDER. Lender has the right to incur expenses in enforcing the Debt Instrument and any action proceeding commenced that would materially affect Lender's right to the Property. Lender shall not be obligated to take any action that Lender deems appropriate. Any amount that is or is required to be paid by Lender for the enforcement of the Note from the date incurred or paid by Lender to the date of repayment shall be added to the principal amount of the Note. Lender will be repaid and reimbursed to the holder of the Note and be apportioned among and repaid to all holders of the Note with any subsequent payments to be made during either, by the terms of any applicable insurance policy or, by the terms of the Note, if not so stated as a cash payment, and it will be due and payable at the Note's maturity. The Debt of Lender will be repaid to the holder of the Note. The amount provided for in this paragraph shall be in addition to any other rights or any remedies to which Lender may be entitled in the event of default. Any such action by Lender shall not be considered as during the default so as to paralyze the ability of the Noteholder to take any action.

Title. Grants warrant that, in order to hold, grant and execute the franchise to the property, which is free and clear of all liens, and to hold the same in trust for the benefit of the Feed Project, execution of the said franchise is hereby approved in favor of, and accepted by, the above-named trustee, Feed of Trust, and the Grantor of the franchise power and authority to execute and deliver the Feed of Trust to the donor.

Defense of Title. Subject to the exception in the paragraph above, Grantor warrants and will forever defend the title to the Property against the lawful claims of all persons. In the event of a future proceeding concerning that question, Grantor, at the request of Trustee or Beneficiary under the Trust, Grantor's executor, if there is a Grantor's executor, or Grantor may, at the request of the named party in such proceeding, defend or shall be entitled to participate in the proceedings and to be represented in the proceedings by counsel of Beneficiary's choice, and Grantor will deliver, or cause to be delivered to Beneficiary's counsel, all records and papers that may be relevant to the title to the Property and participation.

Compliance With Laws. Grantor warrants that the Property and the use of the Property complies with all federal, applicable state, and local laws, ordinances, and regulations that are or may be applicable.

Application of Net Proceeds. The net proceeds of the property, whether in any eminent domain proceedings or by any proceeding or purchase of condemnation, shall be applied, in the following order, to the payment of the net proceeds of the award be applied to the debt secured by the deed instrument in the property. The net proceeds of the award shall mean the award after the payment of all reasonable costs, expenses and attorney's fees reasonably and necessarily incurred by the lender in connection with the condemnation.

Proceedings. A copy of the transcript of the debate on the grant-in-aid proposal, with London's written and printed statements, was sent to the other party to the grant-in-aid proposal, but London failed to attend the proceedings. The proposal was presented in the proceedings, and the grant-in-aid was approved, but London failed to attend the proceedings. The grant-in-aid was approved, but London failed to attend the proceedings. The grant-in-aid was approved, but London failed to attend the proceedings.

And charges are a part of the Deed of Trust.

Current Taxes, Fees and Charges.

Up to the date of the Deed of Trust, all taxes, fees and charges are paid by Grantor. In addition to the Deed of Trust and Note, whatever other action is required by Lender to perfect and/or to cause Lender's lien on the Real Property to be perfected, Lender shall be reimbursed for all taxes, as permitted below, together with all expenses incurred in recording, perfecting or enforcing the Deed of Trust, including without limitation all taxes, fees, documentary stamps, and other charges for recording or recording the Deed of Trust.

Taxes.

The following shall apply to taxes to which this Deed applies: (a) a specific tax upon the type of Deed of Trust or upon all or any part of the indebtedness secured by the Deed of Trust; (b) a tax on Grantor for which Grantor is authorized or required to deduct from payments on the indebtedness secured by the Deed of Trust; (c) a tax on this type of Deed of Trust chargeable against the Lender or the holder of the Note; and (d) a specific tax on all or any portion of the indebtedness or on payments of principal and interest made by Grantor.

Subsequent Taxes.

Any tax to which this Deed applies is related to the date of this Deed of Trust. This event shall have the same effect as an Event of Default as defined below, and Lender may exercise any or all of its available remedies for an Event of Default as provided below, unless Grantor either (a) pays the tax before it is due or (b) tenders the tax as provided above in the Taxes and Lender section and deposits with Lender within a sufficient escrow or security fund or other security satisfactory to Lender.

SECURITY AGREEMENT: FINANCING STATEMENTS

The following provisions relating to this Deed of Trust as a security agreement are a part of the Deed of Trust.

Security Agreement.

This Deed of Trust shall constitute a security agreement for the entirety of the Property and the fixtures or other personal property and Lender shall have a lien in priority to all secured parties under the Uniform Commercial Code as amended from time to time.

Security Interest.

Upon request by Lender, Grantor shall execute financing statements and take whatever other action is requested by Lender to perfect and continue Lender's security interest in the Real and Personal Property. In addition to recording the Deed of Trust in the real property records, Lender may, at any time and without further authorization from Grantor, file executed or unexecuted copies or reproductions of the Deed of Trust as a financing statement. Grantor shall reimburse Lender for all expenses incurred in perfecting or continuing this security interest. Upon default, Grantor shall deliver the Real and Personal Property in a manner and at a place reasonably convenient to Lender and make it available to Lender within three (3) days after receipt of written demand from Lender.

Addresses.

The mailing addresses of Grantor, Lender, and Lender's secured party, from which information concerning the security interest granted by this Deed of Trust may be obtained, shall be provided by the Uniform Commercial Code and shall be stated on the first page of this Deed of Trust.

FURTHER ASSURANCES: ATTORNEY-IN-FACT.

The following provisions relating to further assurances and attorney-in-fact are a part of the Deed of Trust.

Further Assurances.

At any time and from time to time, upon request of Lender, Grantor will make, execute and deliver, or will cause to be made, executed or delivered to Lender or to Lender's attorney, and when requested by Lender, cause to be filed, recorded, refiled or rerecorded, as the case may be, at all times and places where and when Lender may deem appropriate, any and all such mortgages, deeds, of trust, security deeds, security agreements, financing statements, continuation statements, instruments of further assurance, certificates, and other documents as may in the exercise of Lender's discretion be necessary and proper to execute, complete, perfect, continue or preserve (a) the obligations of Grantor under the Deed of Trust and the Related Documents; and (b) the liens and security interests created by this Deed of Trust and perfected on the Property, whether now or hereafter acquired by Grantor. Lender is authorized by law to apply to the court by Lender, with or without Grantor's consent, for such fees, costs and expenses incurred in connection with the matters referred to in this paragraph.

Attorney-in-Fact.

If Grantor (1) is a corporation or other entity, or (2) is an individual who is not a natural person, then this paragraph shall apply in the name of Grantor and at Grantor's expense. For any purpose, including recording, filing, or delivery of any instrument, Grantor hereby appoints Lender as attorney-in-fact for the purpose of making, executing, delivering, recording, and filing, or causing to be made, executed, delivered, recorded, or filed, any instrument, or Lender's attorney-in-fact, for the purpose of accomplishing the matters referred to in this paragraph.

FULL PERFORMANCE.

If Grantor pays in full the indebtedness secured by this Deed of Trust, then the obligations of Grantor under this Deed of Trust shall be deemed to be fully performed. Lender shall execute and deliver, or shall cause to be made, executed or delivered to Grantor, a certificate of full payment of the indebtedness secured by this Deed of Trust and the Related Documents. Any reasonable fee shall be paid by Grantor if permitted by applicable law. If Grantor has a right to a refund of any portion of the principal or interest paid on the indebtedness, then the obligations of Grantor under this Deed of Trust shall be deemed to be fully performed only if the refund is paid to Grantor in full.

DEFAULT.

Events of Default are defined as follows: (1) Grantor's failure to make any payment when due on the indebtedness secured by this Deed of Trust.

Default on Indebtedness.

Failure of Grantor to make any payment when due on the indebtedness secured by this Deed of Trust.

Default on Other Payments.

Failure of Grantor to make any payment when due on the indebtedness secured by this Deed of Trust, other than the indebtedness secured by this Deed of Trust.

Compliance Default.

Failure of Grantor to comply with any of the terms, conditions, covenants, or obligations contained in the Deed of Trust, the Note or any of the Related Documents.

Breaches.

Any violation of any of the terms, conditions, covenants, or obligations contained in the Deed of Trust, the Note or any of the Related Documents.

Insolvency.

The insolvency of Grantor, or the appointment of a receiver for any part of Grantor's property, or any assignment for the benefit of creditors, or the filing of a petition for bankruptcy, or the appointment of a receiver for any part of Grantor's property, or the appointment of a receiver for any part of Grantor's property, or the appointment of a receiver for any part of Grantor's property.

Foreclosure etc.

Any action taken by Lender to enforce its security interest in the Property, or any action taken by Lender to enforce its security interest in the Property, or any action taken by Lender to enforce its security interest in the Property.

Breach of Other Agreement.

Any breach of any other agreement between Grantor and Lender, or any breach of any other agreement between Grantor and Lender, or any breach of any other agreement between Grantor and Lender.

RIGHTS AND REMEDIES ON DEFAULT. In the event of a default by any Elected Official or any Director, Officer, Executive Director or Leader, it is authorized to exercise any one or more of the following rights and remedies, in addition to any other rights or remedies provided by law:

Accelerate indebtedness Lenders will have the right to restructure or accelerate indebtedness, including due and payable amounts, if any prepayment event is triggered and to impose other costs.

Foreclosure. With respect to the subject of the Real Property, the Lender shall have the right to exercise its power of sale and to foreclose by notice and sale, and Lender shall have the right to foreclose by judicial sale, or other sale as authorized with and to the full extent provided by applicable law.

UCC Remedies. We agree to all or any part of the *Personal Property* under the title of the rights and remedies of a secured party under the Uniform Commercial Code.

Collect Rents. Lender shall have the right, without notice to Grantor, to take possession of and manage the Property and collect the Rents including any utility, past due and unpaid, and apply the net proceeds, over and above Lender's costs, against the Indebtedness. In furtherance of this right, Lender may require any tenant or other user of the Property to make payments of rent or use fees directly to Lender. If the Rents are collected by Lender, then Grantor irrevocably designates Lender as Grantor's attorney-in-fact to endorse instruments received in payment thereof in the name of Grantor and to deposit the same and interest thereon. Payments by tenants or other users to Lender in response to Lender's demand shall satisfy the obligation, for which the payments are made, whether or not any proper grounds for the demand existed. Lender may exercise its rights under this paragraph either in person, by agent or through a receiver.

Appoint Receiver. Lender shall have the right to have a receiver appointed to take possession of all or any part of the Property with the power to protect and preserve the Property, to operate the Property and/or to pending foreclosure or sale, and to collect the Rents from the Property, and apply the proceeds, over and above the cost of the receivership, against the Indebtedness. The receiver may also, with a court if permitted by law, exercise Lender's right to the appointment of a receiver that event whether or not the appointment of a receiver exceeds the indebtedness by a substantial amount. Supplement to Lender has not qualified a receiver to be named as a receiver.

Tenancy at Sufferance. If Grantor transfers possession of the Property, after the Property has been provided above or Lease otherwise becomes entitled to possession of the Property, upon death of Grantor, Grantor may demand that the other party to the purchase of the Property and that all Leaseholders (other than the Leaseholder who purchased the Property) vacate the Property immediately upon the demand of Lessee.

Other Remedies. Trustee: www.fishbase.org and www.fishbase.org/docs/press/04/040101.htm; FishBase.org; FishBase.org.

Notice of Sale. Under the above grant, real estate situated in the town and place of any, part of the First Federal Property or of the time after which any private sale or other intended disposition of the Federal Property may be made. Real estate is the real mean estate given at least ten (10) days before the date of the sale or disposition. Any sale of Federal Property may be made in accordance with any sale of the Federal Property.

Sale of the Property. The Seller hereby represents, warrants, covenants and agrees to have the Property marshaled and sold in one lot and to execute the deed to the Property in favor of any purchaser of the Property, whether or not the Seller is a separate legal entity, and to execute the deed to the Property in favor of any purchaser of the Property.

Waiver: Election of Remedies A waiver, election, or assignment of rights in favor of the Defendant in this agreement is a waiver of procedure. The party waives the right to demand that the other side follow any other procedure. Election by Defendant to provide any remedy, provided in this Good of Trust, is a waiver of the right to demand that the other side follow any other procedure, and is part of any other remedy, and an election to make expenditures, or to take a course of performance, or to grant a license, or to do anything else, is not a waiver of the right to perform and not a failure to perform or to discharge a duty of the Defendant.

Attorneys' Fees; Expenses. If a lender or lender's agent is forced to defend any of the terms of the Loan Agreement, lender, shall be entitled to recover sums such as the court fees and costs reasonably incurred, together with attorney's fees and appeal. Whether or not any court action involved all reasonable expenses incurred by lender. And, if lender's expenses are necessary at any time for the protection of its interest or the enforcement of its rights, it shall defend a part of the requested and payable demands and all legal interest at the Note rate from the date of expenditure to appeal. Expenses covered by the paragraph include, without limitation, but are not subject to any limits under applicable law. Lenders will file a bill of costs whether or not there is a lawsuit, including attorney's fees, if necessary, provided not exceeding effort, to identify, locate any defendant, stay or postpone appeal, and any anticipated proceedings, including, but not limited to, the cost of searching records, obtaining the reports, records, and reports, and other reports, appeals, fees, the expenses of the lender, and fees for the trustee, to the extent permitted by applicable law. Such liability shall not constitute a defense to lender's obligations and shall be provided by no.

Rights of Trustee. The trustee has the right to sue or defend in his own name, without joining the beneficiaries, in all suits involving the trust.

POWERS AND OBLIGATIONS OF TRUSTEE

POWERS AND OBLIGATIONS OF TRUSTEE The trustee shall have full power to invest or reinvest the trust assets in such manner as he may deem prudent, subject to the approval of the Board of Directors.

Powers of Trustee. In addition to powers of Trustee as set forth in the Trust Agreement, the Trustee shall have the power to take the following actions with respect to the Property upon the written request of the Lead or Trustee, in person or by mail, and keep a copy on file of the Real Property, including the deed, and all other documents relating to the property, together with paying any expenses or creating any encumbrance on the Real Property, and to do any acts, deeds or other arrangements that the Lead or Trustee in the exercise of his/her duties under the Lead of Trust.

Obligations to Notify. The undersigned hereby certifies that, to the best of his or her knowledge, no other party, in a pending or under any other jurisdiction of any action or proceeding is or has information concerning the death of a party, claims required by applicable law, or pending litigation or proceeding and is obligated by law to

Trustee. Trustee shall enter into the contract with the two duly appointed representatives of the right and reserved as both above with respect to all any, and the right, the Trustee shall have the right to acquire, sell and lease and transfer and have the right to lease or purchase the same and the right to convey and sell and subdivide the same, subject to the above.

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DEED OF TRUST
(Continued)

Page 6

NOTICES TO GRANTOR AND OTHER PARTIES

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of the Board of Trade

Applicable Law. This Deed of Trust has been delivered to Lender and accepted by Lender in the State of Washington. This Deed of Trust shall be governed by and construed in accordance with the laws of the State of Washington.

Merger. There shall be no merger of the interest in the property created by this Second Trust Agreement or other interest created in the property at any time held in or for the benefit of Lender and its affiliates, without the written consent of Lender.

Severability. If a court of competent jurisdiction finds any provision of this Deed of Trust to be invalid or unenforceable as to any person or circumstance, such finding shall not render that provision invalid or unenforceable as to any other person or circumstance. If feasible, any such offending provision shall be amended to be within the limits of enforceability. In the event of the offending provision(s) not so amended, if that be broken, and another provision(s) of this Deed of Trust is/are otherwise rendered invalid and unenforceable.

Time Is of the Essence. Time is of the essence with the performance of the *Legend of Zorro*.

Waiver of Homestead Exemption. A written declaration signed by a taxpayer and a majority of the family, that exempts the laws of the State of Washington as to all property taxes secured by the Department.

GRANTOR:

X. Timothy L. Lestey
TIMOTHY L. LESTHEY

Christine Estey

INDIVIDUAL ACKNOWLEDGMENT

STATE OF Washington.

1. \$5

COUNTY OF KIMBLE:

Given under my hand and official seal this 10th day of June 1964

day of 17-11-1961

19 '2

By: [Signature]

Residing at White Sulphur Springs, W. Va.

Notary Public in and for the State of Arkansas

My commission expires 4-1-84.

EXHIBIT "A"

A parcel of land in Section 25, Township 3 North, Range 9 East of the Willamette Meridian, in Skamania County, Washington, more particularly described as follows:

Beginning at the Northeast corner of Section 25, Township 3 North, Range 9 East of the Willamette Meridian; thence South $37^{\circ} 03' 58''$ West 241.77 feet to the true point of beginning; thence South 90° West, 326.49 feet; thence South 0° West, 210.64 feet; thence South 90° East, 215.07 feet to the centerline of private access road; thence South 90° East, 260 feet, more or less, to the East section line of Section 25, Township 3 North, Range 9 East of the Willamette Meridian; thence North along the East line of Section 25, 211 feet, more or less, to a point due East of the True Point of Beginning; thence South 90° West, 148 feet, more or less, to the True Point of Beginning; TOGETHER WITH the right of access from Highland Orchards County Road over a private access roadway, the Right-of-Way which extend 10 feet either side of a centerline beginning at the Northeast corner of Section 25 of Township 3 North, Range 9 of the Willamette Meridian; thence South $37^{\circ} 03' 58''$ West, 241.77 feet.

It is covenanted and agreed that said real property includes as an improvement thereto and thereon that certain 1973 Barrington 24' x 56' mobile home serial #S2441 as a part thereof, it shall not be severed nor removed therefrom.

112618

BOOK 126 PAGE 565

RECORDATION REQUESTED BY:

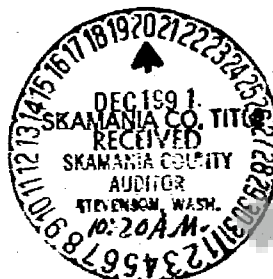
Klickitat Valley Bank
390 NE Tohomish St
P O Box 279
White Salmon, WA 98672

WHEN RECORDED MAIL TO:

Klickitat Valley Bank
390 NE Tohomish St
P O Box 279
White Salmon, WA 98672

SEND TAX NOTICES TO:

Timothy L. Estey and Christine Estey
P. O. Box 173
Underwood, WA 98651



Registered p
Indexed, Dir p
Indirect p
Filed 12/27/91
Mailed

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

DEED OF TRUST

THIS DEED OF TRUST IS DATED DECEMBER 11, 1991, among TIMOTHY L. ESTEY and CHRISTINE ESTEY, whose mailing address is P. O. BOX 173, UNDERWOOD, WA 98651 (referred to below as "Grantor"); KLINKITAT VALLEY BANK, whose mailing address is 390 NE TOHOMISH ST, P O BOX 279, WHITE SALMON, WA 98672 (referred to below sometimes as "Lender" and sometimes as "Beneficiary"); and SKAMANIA COUNTY TITLE COMPANY, whose mailing address is P. O. BOX 277, STEVENSON, WA 98648 (referred to below as "Trustee").

CONVEYANCE AND GRANT. For valuable consideration, Grantor conveys to Trustee in trust with power of sale, right of entry and possession and for the benefit of Lender as Beneficiary, all of Grantor's right, title, and interest in and to the following described real property, together with all existing or subsequently erected or affixed buildings, improvements and fixtures; all easements, rights of way, and appurtenances; all water, water rights and ditch rights (including stock in utilities with ditch or irrigation rights); and all other rights, royalties, and profits relating to the real property, including without limitation all minerals, oil, gas, geothermal and similar matters, located in SKAMANIA County, State of Washington (the "Real Property"):

SEE ATTACHED

The Real Property or its address is commonly known as 173 ESTEY ROAD, UNDERWOOD, WA 98651. The Real Property tax identification number is 03-09-25-1-1-C100-00.

Grantor hereby assigns as security to Lender, all of Grantor's right, title, and interest in and to all leases, Rents, and profits of the Property. This assignment is recorded in accordance with RCW 65.08.070; the lien created by this assignment is intended to be specific, perfected and choate upon the recording of this Deed of Trust. Lender grants to Grantor a license to collect the Rents and profits, which license may be revoked at Lender's option and shall be automatically revoked upon acceleration of all or part of the Indebtedness.

DEFINITIONS. The following words shall have the following meanings when used in this Deed of Trust. Terms not otherwise defined in this Deed of Trust shall have the meanings attributed to such terms in the Uniform Commercial Code. All references to dollar amounts shall mean amounts in lawful money of the United States of America.

Beneficiary. The word "Beneficiary" means KLINKITAT VALLEY BANK, its successors and assigns. KLINKITAT VALLEY BANK also is referred to as "Lender" in this Deed of Trust.

Deed of Trust. The words "Deed of Trust" mean this Deed of Trust among Grantor, Lender, and Trustee, and includes without limitation all assignment and security interest provisions relating to the Personal Property and Rents.

Grantor. The word "Grantor" means any and all persons and entities executing this Deed of Trust, including without limitation TIMOTHY L. ESTEY and CHRISTINE ESTEY.

Guarantor. The word "Guarantor" means and includes without limitation, each and all of the guarantors, sureties, and accommodation parties in connection with the Indebtedness.

Improvements. The word "Improvements" means and includes without limitation all existing and future improvements, fixtures, buildings, structures, mobile homes affixed on the Real Property, facilities, additions and other construction on the Real Property.

Indebtedness. The word "Indebtedness" means all principal and interest payable under the Note and any amounts expended or advanced by Lender to discharge obligations of Grantor or expenses incurred by Trustee or Lender to enforce obligations of Grantor under this Deed of Trust, together with interest on such amounts as provided in this Deed of Trust.

Lender. The word "Lender" means KLINKITAT VALLEY BANK, its successors and assigns.

Note. The word "Note" means the Note dated December 11, 1991, in the principal amount of \$66,000.00 from Grantor to Lender, together with all renewals, extensions, modifications, refinancings, and substitutions for the Note. The maturity date of this Deed of Trust is December 16, 2006.

Personal Property. The words "Personal Property" mean all equipment, fixtures, and other articles of personal property now or hereafter owned by Grantor, and now or hereafter attached or affixed to the Real Property, together with all accessions, parts, and additions to, all replacements of, and all substitutions for, any of such property; and together with all issues and profits thereon and proceeds (including without limitation all insurance proceeds and refunds of premiums) from any sale or other disposition of the Property.

Property. The word "Property" means collectively the Real Property and the Personal Property.

Real Property. The words "Real Property" mean the property, interests and rights described above in the "Conveyance and Grant" section.

5272/6699

12-11-1991
Loan No 17009046

DEED OF TRUST
(Continued)

BOOK 126 PAGE 566

Page 2

Related Documents. The words "Related Documents" mean and include without limitation all promissory notes, credit agreements, loan agreements, guaranties, security agreements, mortgages, deeds of trust, and all other instruments and documents, whether now or hereafter existing, executed in connection with Grantor's indebtedness to Lender.

Rents. The word "Rents" means all present and future rents, revenues, income, issues, royalties, profits, and other benefits derived from the Property.

Trustee. The word "Trustee" means SKAMANIA COUNTY TITLE COMPANY and any substitute or successor trustees.

THIS DEED OF TRUST, INCLUDING THE ASSIGNMENT OF RENTS AND THE SECURITY INTEREST IN THE RENTS AND PERSONAL PROPERTY, IS GIVEN TO SECURE (1) PAYMENT OF THE INDEBTEDNESS AND (2) PERFORMANCE OF ANY AND ALL OBLIGATIONS OF GRANTOR UNDER THE NOTE, THE RELATED DOCUMENTS, AND THIS DEED OF TRUST. THIS DEED OF TRUST IS GIVEN AND ACCEPTED ON THE FOLLOWING TERMS:

PAYMENT AND PERFORMANCE. Except as otherwise provided in this Deed of Trust, Grantor shall pay to Lender all amounts secured by this Deed of Trust as they become due, and shall strictly and in a timely manner perform all of Grantor's obligations under the Note, this Deed of Trust, and the Related Documents.

POSSESSION AND MAINTENANCE OF THE PROPERTY. Grantor agrees that Grantor's possession and use of the Property shall be governed by the following provisions:

Possession and Use. Until the occurrence of an Event of Default, Grantor may (a) remain in possession and control of the Property, (b) use, operate or manage the Property, and (c) collect any Rents from the Property (this privilege is a license from Lender to Grantor automatically revoked upon default). The following provisions relate to the use of the Property or to other limitations on the Property. The Real Property is not used principally for agriculture or farming purposes.

Duty to Maintain. Grantor shall maintain the Property in tenable condition and promptly perform all repairs, replacements, and maintenance necessary to preserve its value.

Hazardous Substances. The terms "hazardous waste," "hazardous substance," "disposal," "release," and "threatened release," as used in this Deed of Trust, shall have the same meanings as set forth in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 49 U.S.C. Section 6901, et seq., or other applicable state or Federal laws, rules, or regulations adopted pursuant to any of the foregoing. Grantor represents and warrants to Lender that: (a) During the period of Grantor's ownership of the Property, there has been no use, generation, manufacture, storage, treatment, disposal, release or threatened release of any hazardous waste or substance by any person on, under, or about the Property. (b) Grantor has no knowledge of, or reason to believe that there has been, except as previously disclosed to and acknowledged by Lender in writing, (i) any use, generation, manufacture, storage, treatment, disposal, release, or threatened release of any hazardous waste or substance by any prior owners or occupants of the Property or (ii) any actual or threatened litigation or claims of any kind by any person relating to such matters. (c) Except as previously disclosed to and acknowledged by Lender in writing, (i) neither Grantor nor any tenant, contractor, agent or other authorized user of the Property shall use, generate, manufacture, store, treat, dispose of, or release any hazardous waste or substance on, under, or about the Property and (ii) any such activity shall be conducted in compliance with all applicable federal, state, and local laws, regulations and ordinances, including without limitation those laws, regulations, and ordinances described above. Grantor authorizes Lender and its agents to enter upon the Property to make such inspections and tests as Lender may deem appropriate to determine compliance of the Property with this section of the Deed of Trust. Any inspections or tests made by Lender shall be for Lender's purposes only and shall not be construed to create any responsibility or liability on the part of Lender to Grantor or to any other person. The representations and warranties contained herein are based on Grantor's due diligence in investigating the Property for hazardous waste. Grantor hereby (a) releases and waives any future claims against Lender for indemnity or contribution in the event Grantor becomes liable for cleanup or other costs under any such laws, and (b) agrees to indemnify and hold harmless Lender against any and all claims, losses, liabilities, damages, penalties, and expenses which Lender may directly or indirectly sustain or suffer resulting from a breach of this section of the Deed of Trust or as a consequence of any use, generation, manufacture, storage, disposal, release or threatened release occurring prior to Grantor's ownership or interest in the Property, whether or not the same was or should have been known to Grantor. The provisions of this section of the Deed of Trust, including the obligation to indemnify, shall survive the payment of the indebtedness and the satisfaction and reconveyance of the lien of this Deed of Trust and shall not be affected by Lender's acquisition of any interest in the Property, whether by foreclosure or otherwise.

Nuisance, Waste. Grantor shall not cause, conduct or permit any nuisance nor commit, permit, or suffer any stripping of or waste on or to the Property or any portion of the Property. Specifically without limitation, Grantor will not remove, or grant to any other party the right to remove, any timber, minerals (including oil and gas), soil, gravel or rock products without the prior written consent of Lender.

Removal of Improvements. Grantor shall not demolish or remove any Improvements from the Real Property without the prior written consent of Lender. As a condition to the removal of any Improvements, Lender may require Grantor to make arrangements satisfactory to Lender to replace such Improvements with Improvements of at least equal value.

Lender's Right to Enter. Lender and its agents and representatives may enter upon the Real Property at all reasonable times to attend to Lender's interests and to inspect the Property for purposes of Grantor's compliance with the terms and conditions of this Deed of Trust.

Compliance with Governmental Requirements. Grantor shall promptly comply, and shall promptly cause compliance by all agents, tenants or other persons or entities of every nature whatsoever who rent, lease or otherwise use or occupy the Property in any manner, with all laws, ordinances, and regulations, now or hereafter in effect, of all governmental authorities applicable to the use or occupancy of the Property. Grantor may contest in good faith any such law, ordinance, or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Grantor has notified Lender in writing prior to doing so and so long as Lender's interests in the Property are not jeopardized. Lender may require Grantor to post adequate security or a surety bond, reasonably satisfactory to Lender, to protect Lender's interest.

Duty to Protect. Grantor agrees neither to abandon nor leave unattended the Property. Grantor shall do all other acts, in addition to those acts set forth above in this section, which from the character and use of the Property are reasonably necessary to protect and preserve the Property.

DUE ON SALE - CONSENT BY LENDER. Lender may, at its option, (a) declare immediately due and payable all sums secured by this Deed of Trust or (b) increase the interest rate provided for in the Note or other document evidencing the indebtedness and impose such other conditions as Lender deems appropriate, upon the sale or transfer, without the Lender's prior written consent, of all or any part of the Real Property, or any interest in the Real Property. A "sale or transfer" means the conveyance of Real Property or any right, title or interest therein; whether legal or equitable; whether voluntary or involuntary; whether by outright sale, deed, installment sale contract, land contract, contract for deed, leasehold interest with a term greater than three (3) years, lease-option contract, or by sale, assignment, or transfer of any beneficial interest in or to any land trust holding title to the Real Property, or by any other method of conveyance of Real Property interest. If any Grantor is a corporation or partnership, transfer also includes any change in ownership of more than twenty-five percent (25%) of the voting stock or partnership interests, as the case may be, of Grantor. However, this option shall not be exercised by Lender if such exercise is prohibited by federal law or by Washington law.

12-11-1991
Loan No 17009046

DEED OF TRUST (Continued)

Page 3

TAXES AND LIENS. The following provisions relating to the taxes and liens on the Property are a part of this Deed of Trust.

Payment. Grantor shall pay when due (and in all events prior to delinquency) all taxes, special taxes, assessments, charges (including water and sewer), fines and impositions levied against or on account of the Property, and shall pay when due all claims for work done on or for services rendered or material furnished to the Property. Grantor shall maintain the Property free of all liens having priority over or equal to the interest of Lender under this Deed of Trust, except for the lien of taxes and assessments not due and except as otherwise provided in this Deed of Trust.

Right To Contest. Grantor may withhold payment of any tax, assessment, or claim in connection with a good faith dispute over the obligation to pay, so long as Lender's interest in the Property is not jeopardized. If a lien arises or is filed as a result of nonpayment, Grantor shall within fifteen (15) days after the lien arises or, if a lien is filed, within fifteen (15) days after Grantor has notice of the filing, secure the discharge of the lien, or if requested by Lender, deposit with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender in an amount sufficient to discharge the lien plus any costs and attorneys' fees or other charges that could accrue as a result of a foreclosure or sale under the lien. In any contest, Grantor shall defend itself and Lender and shall satisfy any adverse judgment before enforcement against the Property. Grantor shall name Lender as an additional obligee under any surety bond furnished in the contest proceedings.

Evidence of Payment. Grantor shall upon demand furnish to Lender satisfactory evidence of payment of the taxes or assessments and shall authorize the appropriate governmental official to deliver to Lender at any time a written statement of the taxes and assessments against the Property.

Notice of Construction. Grantor shall notify Lender at least fifteen (15) days before any work is commenced, any services are furnished, or any materials are supplied to the Property, if any mechanic's lien, materialman's lien, or other lien could be asserted on account of the work, services, or materials. Grantor will upon request of Lender furnish to Lender advance assurances satisfactory to Lender that Grantor can and will pay the cost of such improvements.

PROPERTY DAMAGE INSURANCE. The following provisions relating to insuring the Property are a part of this Deed of Trust.

Maintenance of Insurance. Grantor shall procure and maintain policies of fire insurance with standard extended coverage endorsements on a replacement basis for the full insurable value covering all improvements on the Real Property in an amount sufficient to avoid application of any coinsurance clause, and with a standard mortgagee clause in favor of Lender, together with such other hazard and liability insurance as Lender may reasonably require. Policies shall be written in form, amounts, coverages and basis reasonably acceptable to Lender and issued by a company or companies reasonably acceptable to Lender. Grantor, upon request of Lender, will deliver to Lender from time to time the policies or certificates of insurance in form satisfactory to Lender, including stipulations that coverages will not be cancelled or diminished without at least ten (10) days' prior written notice to Lender.

Application of Proceeds. Grantor shall promptly notify Lender of any loss or damage to the Property if the estimated cost of repair or replacement exceeds \$500.00. Lender may make proof of loss if Grantor fails to do so within fifteen (15) days of the casualty. Whether or not Lender's security is impaired, Lender may, at its election, receive and retain the proceeds and apply the proceeds to the reduction of the indebtedness, payment of any lien affecting the Property, or the restoration and repair of the Property. If Lender elects to apply the proceeds to the indebtedness and repair, Grantor shall repair or replace the damaged or destroyed improvements in a manner satisfactory to Lender. Lender shall, upon satisfactory proof of such expenditure, pay or reimburse Grantor from the proceeds for the reasonable cost of repair or restoration if Grantor is not in default under this Deed of Trust. Any proceeds which have not been disbursed within 180 days after their receipt and which Lender has not committed to the repair or restoration of the Property shall be used first to pay any amount owing to Lender under this Deed of Trust, then to pay accrued interest, and the remainder, if any, shall be applied to the principal balance of the indebtedness. If Lender holds any proceeds after payment in full of the indebtedness, such proceeds shall be paid without interest to Grantor as Grantor's interests may appear.

Unexpired Insurance at Sale. Any unexpired insurance shall inure to the benefit of, and pass to, the purchaser of the Property covered by this Deed of Trust at any trustee's sale or other sale held under the provisions of this Deed of Trust, or at any foreclosure sale of such Property.

EXPENDITURES BY LENDER. If Grantor fails to comply with any provision of this Deed of Trust, or if any action or proceeding is commenced that would materially affect Lender's interests in the Property, Lender on Grantor's behalf may, but shall not be required to, take any action that Lender deems appropriate. Any amount that Lender expends in so doing will bear interest at the rate charged under the Note from the date incurred or paid by Lender to the date of repayment by Grantor. All such expenses, at Lender's option, will (a) be payable on demand, (b) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (i) the term of any applicable insurance policy or (ii) the remaining term of the Note, or (c) be treated as a balloon payment which will be due and payable at the Note's maturity. This Deed of Trust also will secure payment of these amounts. The rights provided for in this paragraph shall be in addition to any other rights or any remedies to which Lender may be entitled on account of the default. Any such action by Lender shall not be construed as curing the default so as to bar Lender from any remedy that it otherwise would have had.

WARRANTY; DEFENSE OF TITLE. The following provisions relating to ownership of the Property are a part of this Deed of Trust.

Title. Grantor warrants that: (a) Grantor holds good and marketable title of record to the Property in fee simple, free and clear of all liens and encumbrances other than those set forth in the Real Property description or in any title insurance policy, title report, or final title opinion issued in favor of, and accepted by, Lender in connection with this Deed of Trust, and (b) Grantor has the full right, power, and authority to execute and deliver this Deed of Trust to Lender.

Defense of Title. Subject to the exception in the paragraph above, Grantor warrants and will forever defend the title to the Property against the lawful claims of all persons. In the event any action or proceeding is commenced that questions Grantor's title or the interest of Trustee or Lender under this Deed of Trust, Grantor shall defend the action at Grantor's expense. Grantor may be the nominal party in such proceeding, but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of Lender's own choice, and Grantor will deliver, or cause to be delivered, to Lender such instruments as Lender may request from time to time to permit such participation.

Compliance With Laws. Grantor warrants that the Property and Grantor's use of the Property complies with all existing applicable laws, ordinances, and regulations of governmental authorities.

CONDEMNATION. The following provisions relating to condemnation proceedings are a part of this Deed of Trust.

Application of Net Proceeds. If all or any part of the Property is condemned by eminent domain proceedings or by any proceeding or purchase in lieu of condemnation, Lender may at its election require that all or any portion of the net proceeds of the award be applied to the indebtedness or the repair or restoration of the Property. The net proceeds of the award shall mean the award after payment of all reasonable costs, expenses, and attorneys' fees necessarily paid or incurred by Grantor, Trustee or Lender in connection with the condemnation.

Proceedings. If any proceeding in condemnation is filed, Grantor shall promptly notify Lender in writing, and Grantor shall promptly take such steps as may be necessary to defend the action and obtain the award. Grantor may be the nominal party in such proceeding, but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of its own choice at Grantor's expense, and Grantor will deliver or cause to be delivered to Lender such instruments as may be requested by it from time to time to permit such participation.

IMPOSITION OF TAXES, FEES AND CHARGES BY GOVERNMENTAL AUTHORITIES. The following provisions relating to governmental taxes, fees

and charges are a part of this Deed of Trust:

Current Taxes, Fees and Charges. Upon request by Lender, Grantor shall execute such documents in addition to this Deed of Trust and take whatever other action is requested by Lender to perfect and continue Lender's lien on the Real Property. Grantor shall reimburse Lender for all taxes, as described below, together with all expenses incurred in recording, perfecting or continuing this Deed of Trust, including without limitation all taxes, fees, documentary stamps, and other charges for recording or registering this Deed of Trust.

Taxes. The following shall constitute taxes to which this section applies: (a) a specific tax upon this type of Deed of Trust or upon all or any part of the indebtedness secured by this Deed of Trust; (b) a specific tax on Grantor which Grantor is authorized or required to deduct from payments on the indebtedness secured by this type of Deed of Trust; (c) a tax on this type of Deed of Trust chargeable against the Lender or the holder of the Note; and (d) a specific tax on all or any portion of the indebtedness or on payments of principal and interest made by Grantor.

Subsequent Taxes. If any tax to which this section applies is enacted subsequent to the date of this Deed of Trust, this event shall have the same effect as an Event of Default (as defined below), and Lender may exercise any or all of its available remedies for an Event of Default as provided below unless Grantor either (a) pays the tax before it becomes delinquent, or (b) contests the tax as provided above in the Taxes and Liens section and deposits with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender.

SECURITY AGREEMENT; FINANCING STATEMENTS. The following provisions relating to this Deed of Trust as a security agreement are a part of this Deed of Trust.

Security Agreement. This instrument shall constitute a security agreement to the extent any of the Property constitutes fixtures or other personal property, and Lender shall have all of the rights of a secured party under the Uniform Commercial Code as amended from time to time.

Security Interest. Upon request by Lender, Grantor shall execute financing statements and take whatever other action is requested by Lender to perfect and continue Lender's security interest in the Rents and Personal Property. In addition to recording this Deed of Trust in the real property records, Lender may, at any time and without further authorization from Grantor, file executed counterparts, copies or reproductions of this Deed of Trust as a financing statement. Grantor shall reimburse Lender for all expenses incurred in perfecting or continuing this security interest. Upon default, Grantor shall assemble the Personal Property in a manner and at a place reasonably convenient to Grantor and Lender and make it available to Lender within three (3) days after receipt of written demand from Lender.

Addresses. The mailing addresses of Grantor (debtor) and Lender (secured party), from which information concerning the security interest granted by this Deed of Trust may be obtained (each as required by the Uniform Commercial Code), are as stated on the first page of this Deed of Trust.

FURTHER ASSURANCES; ATTORNEY-IN-FACT. The following provisions relating to further assurances and attorney-in-fact are a part of this Deed of Trust.

Further Assurances. At any time, and from time to time, upon request of Lender, Grantor will make, execute and deliver, or will cause to be made, executed or delivered, to Lender or to Lender's designee, and when requested by Lender, cause to be filed, recorded, refilled, or re-recorded, as the case may be, at such times and in such offices and places as Lender may deem appropriate, any and all such mortgages, deeds of trust, security deeds, security agreements, financing statements, continuation statements, instruments of further assurance, certificates, and other documents as may, in the sole opinion of Lender, be necessary or desirable in order to effectuate, complete, perfect, continue, or preserve (a) the obligations of Grantor under the Note, this Deed of Trust, and the Related Documents, and (b) the liens and security interests created by this Deed of Trust as first and prior liens on the Property, whether now owned or hereafter acquired by Grantor. Unless prohibited by law or agreed to the contrary by Lender in writing, Grantor shall reimburse Lender for all costs and expenses incurred in connection with the matters referred to in this paragraph.

Attorney-in-Fact. If Grantor fails to do any of the things referred to in the preceding paragraph, Lender may do so for and in the name of Grantor and at Grantor's expense. For such purposes, Grantor hereby irrevocably appoints Lender as Grantor's attorney-in-fact for the purpose of making, executing, delivering, filing, recording, and doing all other things as may be necessary or desirable, in Lender's sole opinion, to accomplish the matters referred to in the preceding paragraph.

FULL PERFORMANCE. If Grantor pays all the indebtedness when due, and otherwise performs all the obligations imposed upon Grantor under this Deed of Trust, Lender shall execute and deliver to Trustee a request for full reconveyance and shall execute and deliver to Grantor suitable statements of termination of any financing statement on file evidencing Lender's security interest in the Rents and the Personal Property. Any reconveyance fee shall be paid by Grantor, if permitted by applicable law. The grantee in any reconveyance may be described as the "person or persons legally entitled thereto", and the recitals in the reconveyance of any matters or facts shall be conclusive proof of the truthfulness of any such matters or facts.

DEFAULT. Each of the following, at the option of Lender, shall constitute an event of default ("Event of Default") under this Deed of Trust:

Default on Indebtedness. Failure of Grantor to make any payment when due on the indebtedness.

Default on Other Payments. Failure of Grantor within the time required by this Deed of Trust to make any payment for taxes or insurance, or any other payment necessary to prevent filing of or to effect discharge of any lien.

Compliance Default. Failure to comply with any other term, obligation, covenant or condition contained in this Deed of Trust, the Note or in any of the Related Documents. If such a failure is curable and if Grantor has not been given a notice of a breach of the same provision of this Deed of Trust within the preceding twelve (12) months, it may be cured (and no Event of Default will have occurred) if Grantor, after Lender sends written notice demanding cure of such failure: (a) cures the failure within fifteen (15) days; or (b) if the cure requires more than fifteen (15) days, immediately initiates steps sufficient to cure the failure and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

Breaches. Any warranty, representation or statement made or furnished to Lender by or on behalf of Grantor under this Deed of Trust, the Note or the Related Documents is, or at the time made or furnished was, false in any material respect.

Insolvency. The insolvency of Grantor, appointment of a receiver for any part of Grantor's property, any assignment for the benefit of creditors, the commencement of any proceeding under any bankruptcy or insolvency laws by or against Grantor, or the dissolution or termination of Grantor's existence as a going business (if Grantor is a business). Except to the extent prohibited by federal law or Washington law, the death of any Grantor (if Grantor is an individual) also shall constitute an Event of Default under this Deed of Trust.

Foreclosure, etc. Commencement of foreclosure, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Grantor against any of the Property. However, this subsection shall not apply in the event of a good faith dispute by Grantor as to the validity or reasonableness of the claim which is the basis of the foreclosure, provided that Grantor gives Lender written notice of such claim and furnishes reserves or a surety bond for the claim satisfactory to Lender.

Breach of Other Agreement. Any breach by Grantor under the terms of any other agreement between Grantor and Lender that is not remedied within any grace period provided therein, including without limitation any agreement concerning any indebtedness or other obligation of Grantor to Lender, whether existing now or later.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any Guarantor of any of the Indebtedness or such Guarantor dies or becomes incompetent. Lender, at its option, may, but shall not be required to, permit the Guarantor's estate to assume unconditionally the obligations arising under the guaranty in a manner satisfactory to Lender, and, in doing so, cure the Event of Default.

RIGHTS AND REMEDIES ON DEFAULT. Upon the occurrence of any Event of Default, and at any time thereafter, Trustee or Lender, at its option, may exercise any one or more of the following rights and remedies, in addition to any other rights or remedies provided by law:

Accelerate Indebtedness. Lender shall have the right at its option to declare the entire Indebtedness immediately due and payable, including any prepayment penalty which Grantor would be required to pay.

Foreclosure. With respect to all or any part of the Real Property, the Trustee shall have the right to exercise its power of sale and to foreclose by notice and sale, and Lender shall have the right to foreclose by judicial foreclosure, in either case in accordance with and to the full extent provided by applicable law.

UCC Remedies. With respect to all or any part of the Personal Property, Lender shall have all the rights and remedies of a secured party under the Uniform Commercial Code.

Collect Rents. Lender shall have the right, without notice to Grantor, to take possession of and manage the Property and collect the Rents, including amounts past due and unpaid, and apply the net proceeds, over and above Lender's costs, against the Indebtedness. In furtherance of this right, Lender may require any tenant or other user of the Property to make payments of rent or use fees directly to Lender. If the Rents are collected by Lender, then Grantor irrevocably designates Lender as Grantor's attorney-in-fact to endorse instruments received in payment thereof in the name of Grantor and to negotiate the same and collect the proceeds. Payments by tenants or other users to Lender in response to Lender's demand shall satisfy the obligations for which the payments are made, whether or not any proper grounds for the demand existed. Lender may exercise its rights under this subparagraph either in person, by agent, or through a receiver.

Appoint Receiver. Lender shall have the right to have a receiver appointed to take possession of all or any part of the Property, with the power to protect and preserve the Property, to operate the Property preceding or pending foreclosure or sale, and to collect the Rents from the Property and apply the proceeds, over and above the cost of the receivership, against the Indebtedness. The receiver may serve without bond if permitted by law. Lender's right to the appointment of a receiver shall exist whether or not the apparent value of the Property exceeds the Indebtedness by a substantial amount. Employment by Lender shall not disqualify a person from serving as a receiver.

Tenancy at Sufferance. If Grantor remains in possession of the Property after the Property is sold as provided above or Lender otherwise becomes entitled to possession of the Property upon default of Grantor, Grantor shall become a tenant at sufferance of Lender or the purchaser of the Property and shall, at Lender's option, either (a) pay a reasonable rental for the use of the Property, or (b) vacate the Property immediately upon the demand of Lender.

Other Remedies. Trustee or Lender shall have any other right or remedy provided in this Deed of Trust or the Note or by law.

Notice of Sale. Lender shall give Grantor reasonable notice of the time and place of any public sale of the Personal Property or of the time after which any private sale or other intended disposition of the Personal Property is to be made. Reasonable notice shall mean notice given at least ten (10) days before the time of the sale or disposition. Any sale of Personal Property may be made in conjunction with any sale of the Real Property.

Sale of the Property. To the extent permitted by applicable law, Grantor hereby waives any and all rights to have the Property marshalled. In exercising its rights and remedies, the Trustee or Lender shall be free to sell all or any part of the Property together or separately, in one sale or by separate sales. Lender shall be entitled to bid at any public sale on all or any portion of the Property.

Waiver; Election of Remedies. A waiver by any party of a breach of a provision of this Deed of Trust shall not constitute a waiver of or prejudice the party's rights otherwise to demand strict compliance with that provision or any other provision. Election by Lender to pursue any remedy provided in this Deed of Trust, the Note, in any Related Document, or provided by law shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Grantor under this Deed of Trust after failure of Grantor to perform shall not affect Lender's right to declare a default and to exercise any of its remedies.

Attorneys' Fees; Expenses. If Lender institutes any suit or action to enforce any of the terms of this Deed of Trust, Lender shall be entitled to recover such sum 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 Lender which in Lender's opinion are necessary at any time 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 at the Note rate from the date of expenditure until repaid. Expenses covered by this paragraph include, without limitation, however subject to any limits under applicable law, Lender's attorneys' fees whether or not there is a lawsuit, including attorneys' fees for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals and any anticipated post-judgment collection services, the cost of searching records, obtaining title reports (including foreclosure reports), surveyors' reports, appraisal fees, title insurance, and fees for the Trustee, to the extent permitted by applicable law. Grantor also will pay any court costs, in addition to all other sums provided by law.

Rights of Trustee. Trustee shall have all of the rights and duties of Lender as set forth in this section.

POWERS AND OBLIGATIONS OF TRUSTEE. The following provisions relating to the powers and obligations of Trustee (pursuant to Lender's instructions) are part of this Deed of Trust.

Powers of Trustee. In addition to all powers of Trustee arising as a matter of law, Trustee shall have the power to take the following actions with respect to the Property upon the written request of Lender and Grantor: (a) join in preparing and filing a map or plat of the Real Property, including the dedication of streets or other rights to the public; (b) join in granting any easement or creating any restriction on the Real Property; and (c) join in any subordination or other agreement affecting this Deed of Trust or the interest of Lender under this Deed of Trust.

Obligations to Notify. Trustee shall not be obligated to notify any other party of a pending sale under any other trust deed or lien, or of any action or proceeding in which Grantor, Lender, or Trustee shall be a party, unless required by applicable law, or unless the action or proceeding is brought by Trustee.

Trustee. Trustee shall meet all qualifications required for Trustee under applicable law. In addition to the rights and remedies set forth above, with respect to all or any part of the Property, the Trustee shall have the right to foreclose by notice and sale, and Lender shall have the right to foreclose by judicial foreclosure, in either case in accordance with and to the full extent provided by applicable law.

Successor Trustee. Lender, at Lender's option, may from time to time appoint a successor Trustee to any Trustee appointed hereunder by an instrument executed and acknowledged by Lender and recorded in the office of the recorder of SKAMANIA County, Washington. The instrument shall contain, in addition to all other matters required by state law, the names of the original Lender, Trustee, and Grantor, the book and page or the Auditor's File Number where this Deed of Trust is recorded, and the name and address of the successor trustee, and the instrument shall be executed and acknowledged by Lender or its successors in interest. The successor trustee, without conveyance of the Property, shall succeed to all the title, power, and duties conferred upon the Trustee in this Deed of Trust and by applicable law. This procedure for substitution of trustee shall govern to the exclusion of all other provisions for substitution.

12-11-1991
Loan No 17009046

DEED OF TRUST
(Continued)

BOOK 126 PAGE 570

Page 6

NOTICES TO GRANTOR AND OTHER PARTIES. Any notice under this Deed of Trust shall be in writing and shall be effective when actually delivered or, if mailed, shall be deemed effective when deposited in the United States mail first class, registered mail, postage prepaid, directed to the addresses shown near the beginning of this Deed of Trust. Any party may change its address for notices under this Deed of Trust by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. All copies of notices of foreclosure from the holder of any lien which has priority over this Deed of Trust shall be sent to Lender's address, as shown near the beginning of this Deed of Trust. For notice purposes, Grantor agrees to keep Lender and Trustee informed at all times of Grantor's current address.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Deed of Trust:

Amendments. This Deed of Trust, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Deed of Trust. No alteration of or amendment to this Deed of Trust shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Applicable Law. This Deed of Trust has been delivered to Lender and accepted by Lender in the State of Washington. This Deed of Trust shall be governed by and construed in accordance with the laws of the State of Washington.

Caption Headings. Caption headings in this Deed of Trust are for convenience purposes only and are not to be used to interpret or define the provisions of this Deed of Trust.

Merger. There shall be no merger of the interest or estate created by this Deed of Trust with any other interest or estate in the Property at any time held by or for the benefit of Lender in any capacity, without the written consent of Lender.

Multiple Parties. All obligations of Grantor under this Deed of Trust shall be joint and several, and all references to Grantor shall mean each and every Grantor. This means that each of the persons signing below is responsible for all obligations in this Deed of Trust.

Severability. If a court of competent jurisdiction finds any provision of this Deed of Trust to be invalid or unenforceable as to any person or circumstance, such finding shall not render that provision invalid or unenforceable as to any other persons or circumstances. If feasible, any such offending provision shall be deemed to be modified to be within the limits of enforceability or validity; however, if the offending provision cannot be so modified, it shall be stricken and all other provisions of this Deed of Trust in all other respects shall remain valid and enforceable.

Successors and Assigns. Subject to the limitations stated in this Deed of Trust on transfer of Grantor's interest, this Deed of Trust shall be binding upon and inure to the benefit of the parties, their successors and assigns. If ownership of the Property becomes vested in a person other than Grantor, Lender, without notice to Grantor, may deal with Grantor's successors with reference to this Deed of Trust and the Indebtedness by way of forbearance or extension without releasing Grantor from the obligations of this Deed of Trust or liability under the Indebtedness.

Time is of the Essence. Time is of the essence in the performance of this Deed of Trust.

Waivers and Consents. Lender shall not be deemed to have waived any rights under this Deed of Trust (or under the Related Documents) unless such waiver is in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by any party of a provision of this Deed of Trust shall not constitute a waiver of or prejudice the party's right otherwise to demand strict compliance with that provision or any other provision. No prior waiver by Lender, nor any course of dealing between Lender and Grantor, shall constitute a waiver of any of Lender's rights or any of Grantor's obligations as to any future transactions. Whenever consent by Lender is required in this Deed of Trust, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required.

Waiver of Homestead Exemption. Grantor hereby releases and waives all rights and benefits of the homestead exemption laws of the State of Washington as to all indebtedness secured by this Deed of Trust.

EACH GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS DEED OF TRUST, AND EACH GRANTOR AGREES TO ITS TERMS.

GRANTOR:

x

TIMOTHY L. ESTEY

x

CHRISTINE ESTEY

INDIVIDUAL ACKNOWLEDGMENT

STATE OF Washington)

) SS

COUNTY OF Klickitat)

On this day before me, the undersigned Notary Public, personally appeared **TIMOTHY L. ESTEY** and **CHRISTINE ESTEY**, personally known to me or proved to me by satisfactory evidence to be the individuals described in and who executed the Deed of Trust, and acknowledged that they signed the Deed of Trust of their free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 11th day of December, 19 91.

By

[Signature]

Residing at White Salmon

Notary Public for the State of Washington

My commission expires 4-18-93

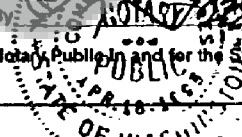


EXHIBIT "A"

A parcel of land in Section 25, Township 3 North, Range 9 East of the Willamette Meridian, in Skamania County, Washington, more particularly described as follows:

Beginning at the Northeast corner of Section 25, Township 3 North, Range 9 East of the Willamette Meridian; thence South $37^{\circ} 03' 58''$ West 241.77 feet to the true point of beginning; thence South 90° West, 326.49 feet; thence South 0° West, 210.64 feet; thence South 90° East, 215.07 feet to the centerline of private access road; thence South 90° East, 260 feet, more or less, to the East section line of Section 25, Township 3 North, Range 9 East of the Willamette Meridian; thence North along the East line of Section 25, 211 feet, more or less, to a point due East of the True Point of Beginning; thence South 90° West, 148 feet, more or less, to the True Point of Beginning; TOGETHER WITH the right of access from Highland Orchards County Road over a private access roadway, the Right-of-Way which extend 10 feet either side of a centerline beginning at the Northeast corner of Section 25 of Township 3 North, Range 9 of the Willamette Meridian; thence South $37^{\circ} 03' 58''$ West, 241.77 feet.

It is covenanted and agreed that said real property includes as an improvement thereto and thereon that certain 1973 Barrington 24 x 56 mobile home serial #S2441 as a part thereof, it shall not be severed nor removed therefrom.