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SKAMANIA CO. WASH
BY *Clint Sherman*

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OCT 3 4 05 PM '01

P. Olsson
AUDITOR
GARY M. OLSON

<i>Document Title(s) or transactions contained herein:</i>	
Declaration of Trust	
<i>GRANTOR(S) (Last name, first name, middle initial)</i>	
Sherman, J Russell, Trustee	
<input type="checkbox"/> Additional names on page _____ of document.	
<i>GRANTEE(S) (Last name, first name, middle initial)</i>	
Public, The	
<input type="checkbox"/> Additional names on page _____ of document.	
<i>LEGAL DESCRIPTION (Abbreviated: L., Lot, Block, Plat or Section, Township, Range, Quarter/Quarter)</i>	
N2 SE4 NW4 Section 10, T2N, R7EWM	
<input checked="" type="checkbox"/> Complete legal on page 14 of document.	
<i>REFERENCE NUMBER(S) (Documents assigned or released):</i>	
<input type="checkbox"/> Additional numbers on page _____ of document.	
<i>ASSESSOR'S PROPERTY TAX PARCEL/ACCOUNT NUMBER</i>	
02-07-03-0-0-0300-00	02-07-10-0-0-0101-00
02-07-03-0-0-0400-00	02-07-11-0-0-0800-00
02-07-10-0-0-0100-00	
<input type="checkbox"/> Property Tax Parcel ID is not yet assigned	
<input type="checkbox"/> Additional parcel numbers on page _____ of document.	

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DECLARATION OF TRUST
OF THE
J. RUSSELL SHERMAN FAMILY TRUST

J. RUSSELL SHERMAN, as "Trustee," hereby declares that J. RUSSELL SHERMAN, as "Trustor," has transferred and delivered unto the Trustee, without any consideration moving from the Trustee, all of the Trustor's right, title and interest in and to the property described on Schedule A attached hereto and by reference incorporated herein, which property, along with any additional property hereafter subject to this trust shall be held, administered and distributed as hereinafter provided:

PART I

TRUST ESTATE

1.1 The property subject to this instrument, as described on Schedule A, is referred to as the "Trust Estate" and shall be held, administered, and distributed as hereinafter provided.

PART II

TRUSTEES

2.1 J. RUSSELL SHERMAN shall serve as the "Initial Trustee" of the trust established hereunder.

2.2 In the event that the Initial Trustee shall die, resign or become unable to continue to serve as such Trustee, then CLINTON RUSSELL SHERMAN, BRADFORD ALAN SHERMAN, and RYAN TODD SHERMAN shall serve as Trustees of said Trust.

2.3 If any of the individuals named in 2.2 above is or becomes unable or unwilling to serve or to continue to serve for any reason, then the other of them is hereby designated to serve as such Trustee.

2.4 If none of the individuals designated to serve as Trustee is able or willing to serve as Trustee hereunder, thereby creating a vacancy in said office, such vacancy shall be filled by decree, order, or judgment of a Court of competent jurisdiction.

2.5 The decision of the Trustees shall be controlled by a majority of the then acting Trustees and shall be absolutely conclusive upon all persons interested in the trust.

None of the above individuals while serving shall be required to furnish bond. Any Trustee while serving alone shall have the same rights, powers, duties and discretion as are hereinafter conferred upon the Trustees.

PART III

REVOCATION, ALTERATION AND AMENDMENT OF TRUST

3.1 At any time and from time to time during the life of the Trustor, the Trustor may, by serving written notice on the Trustee, revoke and/or terminate in whole or in part the trust created by this Declaration of Trust. Upon such revocation or termination, the Trust Estate shall go to, vest in and be immediately distributable to the Trustor and/or his respective designees.

3.2 At any time and from time to time the Trustor may, by serving written notice on the Trustee, alter, modify, or amend the trust created by this Declaration in any respect. Amendments may be cancelled or amended in the same manner as provided in this Paragraph 3.2.

3.3 The Trustor reserves the right to add assets to the present Trust Estate at any time by Will or otherwise, which property shall be thereafter subject to the terms of this trust.

3.4 The Trustor reserves the right at any time and from time to time, to withdraw, in whole or in part, from the Trust Estate.

3.5 After the death of Trustor, this Trust shall be irrevocable.

PART IV

DISTRIBUTION OF PRINCIPAL AND INCOME

4.1 During the life of the Trustor, the Trustee shall distribute to or use for the benefit of the Trustor so much of the net income and principal of the Trust Estate, up to the whole thereof, as the Trustee deems necessary for the Trustor's proper health, support, and maintenance, in accordance with his accustomed manner of living at the date of this instrument. In addition, the Trustee shall distribute to or use for the benefit of the Trustor, or to any person or persons, such additional amounts of the income and principal of the Trust Estate, up to the whole thereof, as the Trustor, in writing, directs from time to time.

4.2 Following the death of Trustor, the Trustee shall, to the extent that it is not otherwise provided for, pay any and all expenses of administration, debts of the decedent, all taxes due or to become due from the decedent or from his estate, including income, estate, inheritance and gift taxes, whether or not measured by property passing through this trust or decedent's probate estate.

The Trustee shall pay Federal estate tax to the extent of the principal amount and accrued interest thereon from United States obligations held by the trust owned by the deceased Trustor, and redeemable at par to pay such tax.

4.3 After payment of the debts, expenses and taxes as provided in paragraph 4.2 above, the Trustee shall distribute the balance of the Trust Estate in the following manner:

(a) The sum of Fifty Thousand Dollars (\$50,000.00) shall be distributed to my former wife, VIRGINIA SHERMAN, if she survives me; otherwise said gift shall fail.

(b) The Trustee shall distribute the remaining trust estate, free of trust, to the issue of Trustor, on the principle of representation.

Any distribution required to be made pursuant to the terms of this Trust to any person who has not then attained the age of eighteen (18) years shall be made to the then acting Trustee as Custodian for said minor pursuant to the provisions of the California Uniform Gifts to Minors Act.

4.4 Notwithstanding anything in this instrument to the contrary, said Trustee shall not pay any death taxes, including interest or penalties, last illness and funeral expenses, attorneys' fees, administration expenses, debts, or other obligations of the Trustor or of his estate from funds received from qualified retirement plans that are excluded from Trustor's gross estate for federal estate tax purposes under Section 2039 of the Internal Revenue Code or any successor statute or from proceeds of insurance policies on the testator's life. However, to the extent that there are no other assets available for such purposes, or to the extent that the trust includes insurance

proceeds in excess of the amount of the insurance exemption available under the California Revenue and Taxation Code, the Trustee, in his discretion, may use insurance proceeds that are otherwise taxable in the Trustor's estate for federal estate tax purposes for such payments.

PART V

GENERAL PROVISIONS AND POWERS OF THE TRUSTEES

5.1 Administrative Powers of Trustee. To carry out the purposes of any trust established hereunder and subject to any specific limitations expressed herein, all Trustees shall have the following powers in addition to all other powers now or hereafter conferred by law:

(a) All of the powers enumerated in Section 1120.2 of the California Probate Code, as it exists on the date of this Declaration of Trust, which powers are incorporated herein by reference.

(b) To give warranties and indemnifications in connection with any transaction entered into by the Trustees.

(c) To make loans upon such terms as the Trustees shall deem proper.

(d) To incorporate or participate in the incorporation of any business or interest therein which is or may become a part of any Trust Estate created herein and to enter into agreements for the formation or modification of partnerships, limited or general, and to participate as a limited partner or general partner of any partnership an interest in which is or may become a part of any Trust Estate created herein.

(e) To employ any attorney, accountant, investment advisor, broker or other agent, whether or not associated with the Trustees to advise or assist the Trustees in the performance of the Trustees' administrative duties. The Trustees may act on the recommendations of such persons without independent investigation and may pay from the Trust Estate reasonable compensation for all services performed.

(f) To deposit trust funds in commercial, savings or savings and loan accounts, subject to the usual restrictions upon withdrawal in effect at that time. To designate a single Trustee or other qualified individual to make deposits, draw checks or perform any other ministerial task on behalf of the Trustee.

(g) Upon any division or partial or final distribution of any trust to apportion and allocate the assets of the trust in cash or in kind, or partly in cash and partly in kind, or in undivided interests, in such manner as the Trustees shall determine and to sell any property deemed necessary by the Trustees in connection therewith. The Trustees shall have the power to allocate or distribute all or a portion of any asset to a trust or to a beneficiary as part of a distribution or allocation in kind.

(h) Any of the Trustees then acting shall have the power to execute any deed or other conveyance, to sign checks withdrawing or disbursing funds of the Trust Estate, to endorse for transfer or deposit any check or draft received by the Trustees as a part of the Trust Estate, to execute, in the name of the Trustors or otherwise, any stock power, and to endorse, in the same manner, for the purpose of transfer, any security

delivered to or held by the Trustees as a part of the Trust Estate. Any such act by a Trustee shall be binding upon the Trust Estate and all beneficiaries hereunder, it being the Trustors' intent, by this paragraph to facilitate the handling of the Trust Estate in the event of the absence or inability to act of any of the Trustees.

(1) In exercising the foregoing powers, the Trustees shall act in a manner which is reasonable and equitable in view of the interests of income beneficiaries and remaindermen and in the manner in which men of ordinary prudence, diligence, discretion and judgment would act in the management of their own affairs.

5.2 Interest of Beneficiaries Not Subject to Assignment or to Claims of Creditors. Except as provided herein, no beneficiary shall have the power to sell, transfer, assign, pledge, mortgage or alienate any part of the beneficiary's interest in the principal or income of the Trust Estate in any manner whatsoever. The interest of each beneficiary shall not be subject to the claims of the beneficiary's creditors or subject to attachment, execution, bankruptcy proceedings or any other legal process. This provision shall not prevent a beneficiary from renouncing at any time his right to principal or income, or both hereunder, in whole or in part, and any such renunciation shall accelerate the succeeding interest as if such beneficiary had died on the date of his renunciation.

5.3 Alternative Methods of Payment. The Trustee may make any payment of income or principal required hereunder in one or more of the following ways:

(a) By payment directly to the beneficiary or by deposit in any bank designated by the beneficiary even if the beneficiary is under a disability, without the intervention of a guardian or conservator.

(b) By payment to the legally appointed guardian or conservator of the beneficiary's person or estate or by payment for the benefit of the beneficiary to any person with whom the beneficiary resides or to any person who has custody of the beneficiary, without any duty to supervise or inquire into the application of any funds so paid.

(c) By making expenditures for the benefit of the beneficiary.

5.4 Notice to Trustees. Until the Trustee receives written notice of any event on which the right to payment or distribution may depend, the Trustee shall incur no liability to persons whose interests may have been affected by that event for payments or distributions made or not made in good faith.

5.5 Disposition of Undistributed Income at Termination of Interest. Except as otherwise provided herein, on the termination of any trust interest, any undistributed income shall be held or distributed in the same manner as if it had been received after the termination of the trust interest.

5.6 Each Trust a Separate Trust; Manage as Unit. Any trust created under this Declaration of Trust shall be treated as a separate trust. The Trustee, however, may maintain and administer the assets of the trusts as a unit until such time as the Trustee is required to make distribution. In such event, separate accounts shall be kept for each trust.

5.7 Interpretation of This Instrument.

(a) As used in this instrument and to the extent appropriate, the masculine, feminine and neuter gender shall each include the other two genders and the singular shall include the plural and the plural shall include the singular.

5.8 No-Contest Clause. In the event any beneficiary under this trust shall, singly or in conjunction with any other person or persons, contest in any court the validity of this trust, or contest Trustees' Wills, or shall seek to obtain an adjudication in any proceeding, in any court, that this trust or any of its provisions, or that such Wills or any of their provisions, are void, or seek otherwise to void, nullify, or set aside this trust or any of its provisions, then the right of that person to take any interest under this Declaration of Trust shall be determined as if that person had predeceased the execution of this Declaration of Trust. The Trustees are hereby authorized to defend, at the expense of the Trust Estate, any contest or other attack of any nature on this trust or any of its provisions.

PART VI

SEVERABILITY

6.1 If any provision of this Declaration of Trust is unenforceable, the remaining provisions shall nevertheless be carried into effect.

PART VII

ADDITIONAL PROPERTY

7.1 Trustor and any other person, by Will or otherwise, may at any time add property to the Trust Estate of any trust established under this Declaration of Trust, which property shall thereupon be subject to all the terms hereof.

PART VIII

CALIFORNIA LAW

This Declaration of Trust has been accepted by the Trustee on the understanding that its validity, construction and all rights under it shall be governed by the laws of the State of California.

IN WITNESS WHEREOF, the Trustee has executed this Declaration of Trust on this 28th day of April, 1981.



J. Russell Sherman

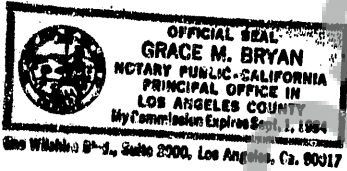
"Trustee"

State of California)
County of Los Angeles) ss.

On April 22, 1981, before me, the undersigned, a Notary Public in and for said State, personally appeared J. RUSSELL CHERMAN, known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same.

WITNESS my hand and official seal.

Grace M. Bryan
Notary Public in and for said State



Unofficial Copy

TRUST CORPUS

1. All assets contained in the account of J Russell Sherman at Paine Webber, brokers. Account No. UK82 748-32.
2. IRA account No. 1 at Paine Webber, brokers. (Account No. UK-00001)
3. IRA account No. 2 at Paine Webber, brokers. (Account No. UK-00002)
4. 2,190 shares of Sovereign Corp. common stock.

My ownership interest in the following real property:

5. Approximately 320 acres
Skamania County
Stevenson, Washington (See legal description attached as Exhibit "A")
6. Approximately 30 acres
Wilsonville, Oregon (See legal description attached as Exhibit "B")
7. Approximately 53 acres
Troutdale, Oregon
8. Ownership interest in townhouse,
Santa Maria, California

EXHIBIT "A"

PARCEL I

The North Half of the Southeast Quarter of the Northwest Quarter; the West Half of the Northwest Quarter of the Southwest Quarter of the Northeast Quarter; the South Half of the Southwest Quarter of the Northeast Quarter of the Northwest Quarter; and the South Half of the North Half of the Southwest Quarter of the Northeast Quarter of the Northwest Quarter of Section 10, Township 2 North, Range 7 East of the Willamette Meridian, in the County of Skamania, State of Washington.

EXCEPT that portion thereof covered by Blue Lake, its immediate shore line and a strip of land 200 feet wide adjacent to and paralleling the shore of Blue Lake.

ALSO EXCEPT that portion thereof which lies within the 300 foot strip of land acquired by the United States of America for the Bonneville Power Administration Electric Power Transmission Lines.

PARCEL II

The Southwest Quarter of the Southwest Quarter, and Government lot 5, in Section 2; the Southwest Quarter of the Southeast Quarter, and Government Lots 6 and 7, in Section 3; the Northwest Quarter of the Northeast Quarter and Government Lots 1 and 2, in Section 10; and Government Lot 5 in Section 11; all in Township 2 North, Range 7 East of the Willamette Meridian, in the County of Skamania, State of Washington.

EXCEPT that portion thereof which lies within the 300 foot strip of land acquired by the United States of America for the Bonneville Power Administration's Electric Power Transmission Lines by judgement on declaration of taking entered in Cause No. 34 in the District Court of the United States for the Western District of Washington, Southern Division, a certified copy of said judgement being recorded under Auditor's File No. 20971 on February 6, 1939, at Page 315 of Book 27 of Deeds, records of Skamania County, Washington.

ALSO that portion of the D. F. Bradford Donation Land Claim No. 37 located in Sections 2, 10, and 11, Township 2 North, Range 7 East of the Willamette Meridian, more particularly described as follows:

Beginning at a point marking the intersection of the Westerly line of the said Bradford Donation Land Claim with the centerline of Old State Road No. 8 as the same was located and constructed on December 19, 1914, said point being South 175 feet, more or less, from the Quarter Corner of the West line of said Section 11; thence following the center line of said road in a Northeasterly direction to intersection with the Northeasterly boundary of the said Bradford Donation Land Claim; thence North 54°30' West 1,550 feet, more or less, following the Northeasterly boundary of the said Bradford Donation Land Claim to the Northerly corner thereof; thence South 29° West 55 chains along the Northwesterly boundary of said Bradford Land Claim to the Westerly corner thereof; thence South 23° East to the Point of Beginning.

EXHIBIT "B"

Parcel I

A tract of land in the south one-half of the south-west one-quarter of Section 11, Township 3 South, Range 1 West, of the W.M., said tract being a portion of those tracts of land conveyed to Edward W. Boeckman as described in Book 106, page 316, Deed Records and Ernst A. Boeckman as described in Book 106, page 317, Deed Records, said tract is more particularly described as follows:

Beginning at the point of intersection of the south line of the southwest one-quarter of Section 11, with the most easterly line of the 125.00 foot transmission line easement conveyed to the United States of America as described in Book 522, page 49, and Book 515, page 231, Deed Records; thence South 89° 34' 52" West along said south line 1329.70 feet to 1/2 inch iron pipe at the south-west corner of said Section 11; thence North 00° 11' 59" East along the westerly line of said Section 11, a distance of 1315.76 feet to the south-west corner of the tract of land conveyed to George F. Boeckman as described in Book 105, page 454, Deed Records; thence North 89° 28' 53" East along the southerly line of said George F. Boeckman tract 1314.73 feet to said most easterly line of said transmission line easement; thence South 00° 27' 08" East along said easterly line 1317.97 feet to the point of beginning.

EXCEPTING THEREFROM that tract of land described in a Deed to the City of Wilsonville, recorded November 1, 1972 as Recorder's Fee No. 72 33376, Film Records.

And further Excepting Therefrom the Easterly 30 feet thereof conveyed to Richard H. Boeckman and Eleanor M. Boeckman, by deed recorded October 2, 1984, as fee no. 84 38845.

Parcel II

A right of way for ingress, egress and rail spur purposes, over a 30-foot strip of land as described in instrument recorded October 16, 1984, as fee no. 84 36055.

Together with all of the tenements, hereditaments and appurtenances thereto belonging or in anywise appertaining.

This property is also known as City of Wilsonville tax lots 1300 and 1400.