

UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

1. Payment of Principal and Interest. Borrower shall promptly pay when due the principal of and interest on the indebtedness evidenced by the Note, prepayment and late charges as provided in the Note, and the principal of and interest on any future Advances secured by this D. of T.

2. **Funds for Taxes and Insurance.** Subject to applicable law or to a written waiver by Lender, Borrower shall pay to Lender on the day monthly installments of principal and interest are payable under the Note, until the Note is paid in full, a sum (herein "Funds") equal to one-twelfth of the yearly taxes and assessments, which may attain priority over this Deed of Trust, and ground rents on the Property, if any, plus one-twelfth of yearly premium installments for hazard insurance, plus one-twelfth of yearly premium installments for mortgage insurance, if any, all as reasonably estimated initially and from time to time by Lender on the basis of assessments and bills, and reasonable estimates thereof.

The Funds shall be held in an institution the depositary of which shall be a company or companies, insured or guaranteed by a Federal or state agency (including Lender if Lender is such an institution). Lender shall apply for and pay for said taxes, assessments, insurance, premium and ground rents. Lender may not charge for so holding and applying the Funds, analyzing said accounts or verifying and compiling said assessments and bills, unless Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge. Borrower and Lender may agree in writing at the time of execution of this Deed of Trust that interest on the Funds shall be paid to Borrower, and unless such agreement is made or applicable law requires, such interest to be paid. Lender shall not be required to pay Borrower any interest or earnings on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as additional security for the sums secured by this Deed of Trust.

If the amount of the Funds held by Lender, together with the future monthly installments of Funds payable prior to the due dates of taxes, assessments, insurance premiums and ground rents, will exceed the amount required to pay said taxes, assessments, insurance premiums and ground rents as they fall due, such excess shall be at Borrower's option, either promptly repaid to Borrower or credited to Borrower on monthly installments of Funds. If the amount of the Funds held by Lender shall not be sufficient to pay taxes, assessments, insurance premiums and ground rents as they fall due, Borrower shall pay to Lender any amount necessary to make up the deficiency within 30 days from the date notice is mailed by Lender to Borrower requesting payment thereof.

Upon payment in full of all sums secured by this Deed of Trust, Lender shall promptly refund to Borrower any Taxes held by Lender. If under paragraph 15 hereof the Property is sold or the Proceeds therefrom are assigned to Lender, Lender shall apply, no later than immediately prior to the sale of the Property or its acquisition by Lender, any Taxes held by Lender at the time of application as a credit against the sums secured by this Deed of Trust.

3. **Application of Payments.** Notwithstanding anything to the contrary herein, the payments made by the Borrower to the Lender shall be applied first to the principal of the loan, then to the interest on the loan, then to the fees and charges of the Lender, and finally to the costs of collection and legal expenses.

4. **Charges Liens.** Borrower shall pay all taxes, assessments and other charges levied on and assessed against the Property which may attach to a priority over this Deed or Trust, and likewise shall pay all charges levied on or assessed against the Property provided under paragraph 2 hereof or if not paid in such manner, 180 days after the date of such assessment, then shall directly to the payee thereof. Borrower shall promptly forward to Lender an original and two copies of the assessment, and in the event Borrower shall make payment directly, Borrower shall promptly forward to Lender such payment in such form which Borrower shall promptly discharge any lien which has previously been placed on the Property by the taxing authority, which is required to discharge any such lien so long as Borrower has paid the taxes, assessments and other charges levied on or assessed against such lien in a manner acceptable to Lender, or shall be deemed to have complied with the requirements of such law, the legal proceedings which operate to prevent the creation of such lien.

5. **Hazard insurance.** Borrower shall keep the property insured against loss by fire, hazards included within the term "fire" as defined in the policy, and in such amounts and for such periods as Lender may reasonably require. Lender may require that amount of coverage for the term of the loan.

The insurance carrier providing the insurance shall not be subject to Homeowner's suit, as approved by the policy, provided that such approval shall not be unreasonably withheld. The preceding provisions shall not be subject to the marine provisions provided under paragraph 2 hereof. The carrier shall not be liable for any other sailing operation when the vessel is in the insurance carrier.

All insurance policies and terms of such policies shall be applicable to Lender and shall include a clause in favor of and to the benefit of Lender. Lender shall have the right to cancel any such policy and Borrower shall promptly furnish to Lender all relevant notices and all relevant documents. If the policy is cancelled by Borrower, Lender may be entitled to reimbursement by Borrower.

Unless Lender and Borrower agree in writing, insurance coverage shall be applied to the property owned by the Property. Lender and Borrower shall not be responsible for the maintenance of the property, and shall not be liable for any loss or damage to the property. Lender and Borrower shall not be responsible for the maintenance of the property, and shall not be liable for any loss or damage to the property. Lender and Borrower shall not be responsible for the maintenance of the property, and shall not be liable for any loss or damage to the property.

Notwithstanding the foregoing, in the event of a Dispute, the Lender and Borrower otherwise agree in writing, any such Dispute shall be resolved by mediation, then arbitration, or postpone the due date of the monthly installments referred to in paragraph 1.1.1. until a court or arbitral tribunal awards the amount of such installments. If such paragraph 1.1.1. herein the Property is assigned to Lender, in right and in service of decrease in and to the borrower's policies and in and to the proceeds thereof resulting from assignment to the Property prior to the sale or acquisition of such house by Lender, the extent of the sums secured by this bond as if such sumatory prior to such sale or acquisition.

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Any amounts disbursed by Lender pursuant to this paragraph 7, with interest thereon, shall become additional indebtedness of Borrower secured by this Deed of Trust. Unless Borrower and Lender agree to other terms of payment, such amounts shall be payable upon notice from Lender to Borrower requesting payment thereof, and shall bear interest from the date of disbursement at the rate payable in no time to time on outstanding principal under the Note unless payment of interest at such rate would be contrary to applicable law, in which event such amounts shall bear interest at the highest rate permissible under applicable law. Nothing contained in this paragraph 7 shall require Lender to incur any expense or take any action hereunder.

8. Inspection. Lender may make or cause to be made reasonable entries upon and inspections of the Property, provided that Lender shall give Borrower notice prior to any such inspection specifying reasonable cause therefor related to Lender's interest in the Property.

9. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of the Property, or part thereof, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender.

If the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Deed of Trust, with the excess, if any, paid to Borrower. In the event of a partial taking of the Property, unless Borrower and Lender otherwise agree in writing, there shall be applied to the sums secured by this Deed of Trust such proportion of the proceeds as is equal to that proportion which the amount of the sums secured by this Deed of Trust immediately prior to the date of taking bears to the fair market value of the Property immediately prior to the date of taking, with the balance of the proceeds paid to Borrower.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condonee offers to make an award or settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date such notice is mailed, Lender is authorized to collect and apply the proceeds, at Lender's option, either to restoration or repair of the Property or to the sums secured by this Deed of Trust.

Unless Lender and Borrower otherwise agree in writing, any such application of proceeds to principal shall not extend or postpone the due date of the monthly installments referred to in paragraphs 1 and 2 hereof or change the amount of such installments.

10. Borrower Not Released. Extension of the time for payment or modification of amortization of the sums secured by this Deed of Trust granted by Lender to any successor in interest to Borrower shall not operate to release, in any manner, the liability of the original Borrower, and Borrower's successors in interest. Lender will not be required to commence proceedings against such successors or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Deed of Trust because of any default made by the original Borrower or a Borrower's successors in interest.

11. Forbearance by Lender Not a Waiver. Any forbearance by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or prejudice the exercise of any such right or remedy. The mere payment or satisfaction of the maturity of any of the sums secured by this Deed of Trust shall not constitute a waiver by Lender of its right to accelerate the maturity of the sums secured by this Deed of Trust.

12. Remedies Cumulative. All remedies provided in this Deed of Trust to protect and compensate Lender and lender's right or remedy under this Deed of Trust or otherwise to take an action, and any other remedies, cumulatively and independently, are preserved.

13. Successors and Assigns Bound; Joint and Several Liability; Captions. The covenants and obligations herein contained shall bind and the rights hereunder shall inure to the successors, assigns and assigns of Lender and Borrower, and shall be subject to the provisions of paragraphs 17 hereof. All payments and assignments of Borrower shall be made to Lender. The captions and headings of the paragraphs of this Deed of Trust are for convenience only and shall not be used to interpret or define the provisions hereof.

14. Notice. Except for any notice required under applicable law to be given to a person, the notices to be given by Borrower pursuant to this Deed of Trust shall be given by mailing in a letter by registered mail, return receipt requested, to Lender at the address of Lender as set forth in the first page hereof, and return notice to Lender shall be given by certified mail, return receipt requested, to the address of Lender as set forth in the first page hereof. Lender may designate by notice to Borrower any other address to which notices may be given by registered mail, return receipt requested, to the address of Lender as set forth in the first page hereof. Lender may designate by notice to Borrower any other address to which notices may be given by registered mail, return receipt requested, to the address of Lender as set forth in the first page hereof.

15. Uniform Deed of Trust Governing Law; Severability. This Deed of Trust shall be governed by the laws of the State of California, and the provisions hereof shall be construed and enforced according to the laws of the State of California. If any provision of this Deed of Trust is held to be invalid, unenforceable or illegal, the remaining provisions hereof shall survive and shall be enforceable and shall constitute the entire agreement between the parties hereto.

16. Record of Copy. Borrower agrees to execute and deliver to Lender a copy of this Deed of Trust, to be recorded in the public records of the County of Los Angeles, California.

17. Transfer of the Property; Assumptions.

If at any time after the date of this Deed of Trust, the Property is sold, transferred, conveyed, assigned, or otherwise disposed of, in whole or in part, by Borrower or any successor in interest, the transferee, assignee, or other person to whom the Property is sold, transferred, conveyed, assigned, or otherwise disposed of, shall be deemed to have assumed the obligations of Borrower under this Deed of Trust, and shall be bound by the terms and conditions hereof, and shall be deemed to have agreed to execute and deliver to Lender a copy of this Deed of Trust, to be recorded in the public records of the County of Los Angeles, California. If the Property is sold, transferred, conveyed, assigned, or otherwise disposed of, in whole or in part, by Borrower or any successor in interest, the transferee, assignee, or other person to whom the Property is sold, transferred, conveyed, assigned, or otherwise disposed of, shall be deemed to have assumed the obligations of Borrower under this Deed of Trust, and shall be bound by the terms and conditions hereof, and shall be deemed to have agreed to execute and deliver to Lender a copy of this Deed of Trust, to be recorded in the public records of the County of Los Angeles, California.

If the Property is sold, transferred, conveyed, assigned, or otherwise disposed of, in whole or in part, by Borrower or any successor in interest, the transferee, assignee, or other person to whom the Property is sold, transferred, conveyed, assigned, or otherwise disposed of, shall be deemed to have assumed the obligations of Borrower under this Deed of Trust, and shall be bound by the terms and conditions hereof, and shall be deemed to have agreed to execute and deliver to Lender a copy of this Deed of Trust, to be recorded in the public records of the County of Los Angeles, California.

18. Acceleration of Remedies. Except as provided in paragraph 17 hereof, upon Borrower's breach of any covenant or agreement of Borrower in this Deed of Trust, including the covenants in paragraph 2 hereof, any sums secured by this Deed of Trust shall be due and payable immediately and shall give rise to the remedies provided by applicable law to Lender and to the other persons named in the applicable law specifying the time to (a) the action required to cure such breach; (b) a date, not less than 30 days after the date the notice is mailed to Borrower, by which such breach must be cured; and (c) that failure to cure such breach on or before the date specified in the notice may result in acceleration of the sums secured by this Deed of Trust and sale of the property at public auction at a date not less than 120 days in the future. The notice shall further inform Borrower of (i) the right to accelerate after default, (ii) the right to bring a court action to assert the non-existence of a default or any other defense of Borrower to acceleration and foreclosure, and (iii) any other matters required to be included in any notice by applicable law. If the breach is not cured on or before the date specified in the notice, Lender, at Lender's option may declare all of the sums secured by this Deed of Trust to be immediately due and payable without further demand and may exercise the power of sale and any other remedies permitted by applicable law. Lender shall be entitled to collect all reasonable costs and expenses incurred in pursuing the remedies provided in this paragraph 18, including but not limited to, reasonable attorney's fees.

If Lender exercises the power of sale, Lender shall give written notice to Trustee of the occurrence of an event of default and of Lender's election to cause the Property to be sold. Trustee and Lender shall take such action regarding notice of sale and shall give such notice to Borrower and to other persons as applicable law may require. After the lapse of such time as may be required by applicable law and after publication of the notice of sale, Trustee, without demand on Borrower, shall sell the Property at public auction in the highest bidder at the time and place and under the terms designated in the notice of sale in one or more parcels and in such order as Lender may determine. Trustee may postpone sale of the Property for a period of periods not exceeding a total of 30 days by public announcement at the time and place fixed in the notice of sale. Lender or Lender's designee may purchase the Property at any sale.

Trustee shall deliver to the purchaser Trustee's deed conveying the Property to be sold without any covenant or warranty, expressed or implied. The return of the Trustee's deed shall be prima facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all reasonable costs and expenses of the sale, including but not limited to, reasonable Trustee's and attorney's fees and costs of title evidence; (b) to all sums secured by this Deed of Trust; and (c) the excess, if any, to the person or persons legally entitled thereto, or the clerk of the superior court of the county in which the sale took place.

19. Borrower's Right to Redeem. Notwithstanding Lender's acceleration of the sums secured by this Deed of Trust, Borrower shall have the right to have any proceeds due begun by Lender to enforce this Deed of Trust discontinued at any time prior to the notice of sale or before the sale of the Property pursuant to the power of sale contained in this Deed of Trust or to the effect of a judgment enforcing this Deed of Trust if: (a) Borrower pays Lender all sums which would be then due under this Deed of Trust; (b) the Note and other securing Future Advances, if any, had an acceleration occurred; (c) Borrower cures all breaches of any other covenants or agreements of Borrower contained in the Deed of Trust; (d) Borrower pays all reasonable expenses incurred by Lender and Trustee in enforcing the covenants and agreements of Borrower contained in this Deed of Trust and in enforcing Lender's and Trustee's remedies as provided in paragraph 18 hereof.

including, but not limited to, reasonable attorney's fees; and (ii) Borrower takes such action as Lender may reasonably require to assure that the lien of this Deed of Trust, Lender's interest in the Property, and Borrower's obligation to pay the sums secured by this Deed of Trust shall continue unimpaired. Upon such payment and cure by Borrower, this Deed of Trust and the obligations secured hereby shall remain in full force and effect as if no acceleration had occurred.

20. Assignment of Rents; Appointment of Receiver; Lender in Possession. A default occurs hereunder, Borrower hereby assigns to Lender the rents of the Property, provided that Borrower shall, prior to acceleration under paragraph 18 hereof or abandonment of the Property, have the right to collect and retain such rents as they become due and payable.

Upon acceleration under paragraph 18 hereof or abandonment of the Property, Lender, or person, its agent or its mutually appointed receiver, can be entitled to enter upon the possession of and manage the Property and to collect the rents of the Property, including those past due. All rents collected by Lender or the receiver shall be applied first to payment of the costs of management of the Property and collection of rents, including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorney's fees, and then to the sums secured by this Deed of Trust. Lender and the receiver shall be liable to account only for those rents actually received.

21. Future Advances. Upon request of Borrower, Lender, at Lender's option prior to full reconveyance of the Property by Trustee to Borrower, may make Future Advances to Borrower. Such Future Advances, with interest thereon, shall be secured by this Deed of Trust when evidenced by promissory notes stating that said notes are secured hereby.

22. Reconveyance. Upon payment of all moneys secured by this Deed of Trust, Lender shall request Trustee to reconvey the Property and shall surrender this Deed of Trust and all notes and being indebtedness secured by this Deed of Trust to Trustee. Trustee shall reconvey the Property without warranties and without charge to the person or persons legally entitled thereto. Such person or persons shall pay all costs of reconveyance, if any.

23. Substitute Trustee. In accordance with applicable law, Lender may from time to time appoint a substitute trustee to any Trustee appointed hereunder who has agreed to act. Without consideration of the Property, the substitute trustee shall succeed to all the title, power and duties conferred upon the Trustee herein and by applicable law.

24. Use of Property. The Property is not used principally for agricultural or farming purposes.

IN WITNESS WHEREOF, Borrower has executed this Deed of Trust

Paul T. Leal

Melanie S. Leal

State of Washington Skamania

On this Twenty-first day of September, 1994, before me, a Notary Public in and for the State of Washington, duly commissioned and qualified, appeared Paul T. Leal and Melanie S. Leal, husband and wife, who acknowledged to me that they executed the foregoing instrument as their

and intended as their free and voluntary act and for the purposes and consideration therein expressed.

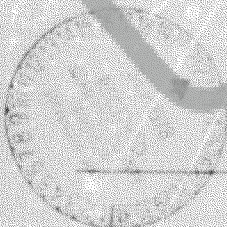
Witness my hand and official seal this 21st day of September, 1994.

My Commission expires March 15, 1995

IN TESTIMONY

I have hereunto set my hand and official seal this 21st day of September, 1994, at Skamania County, Washington.

13a



RECEIVED
INDEXED
FILED
RECORDED
COMPLETED
MAILED

NOTARY PUBLIC STATE OF WASHINGTON
Paul T. Leal
My Commission Expires March 15, 1995
I hereby certify that the foregoing instrument was duly executed and acknowledged before me on the 21st day of September, 1994, at Skamania County, Washington.

including, but not limited to, reasonable attorney's fees, and (c) Borrower takes such action as Lender may reasonably require to assure that the lien of this Deed of Trust, Lender's interest in the Property and Borrower's obligation to pay the sums secured by this Deed of Trust shall continue unimpaired. Upon such payment and cure by Borrower, this Deed of Trust and the obligations secured hereby shall remain in full force and effect as if no acceleration had occurred.

20. Assignment of Rents; Appointment of Receiver; Lender in Possession. As additional security hereunder, Borrower hereby assigns to Lender the rents of the Property, provided that Borrower shall, prior to acceleration under paragraph 19 hereof or abandonment of the Property, have the right to collect and retain such rents as they become due and payable.

Upon acceleration under paragraph 19 hereof or abandonment of the Property, Lender, in person, by agent or by judicially appointed receiver, shall be entitled to enter upon, take possession of and manage the Property and to collect the rents of the Property, including those past due. All rents collected by Lender or the receiver shall be applied first to payment of the costs of management of the Property and collection of rents, including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorney's fees, and then to the sums secured by this Deed of Trust. Lender and the receiver shall be liable to account only for those rents actually received.

21. Future Advances. Upon request of Borrower, Lender, at Lender's option prior to full reconveyance of the Property by Trustee to Borrower, may make Future Advances to Borrower. Such Future Advances, with interest thereon, shall be secured by this Deed of Trust when evidenced by promissory notes stating that said notes are secured hereby.

22. Reconveyance. Upon payment of all sums secured by this Deed of Trust, Lender shall require Trustee to convey the Property and shall surrender this Deed of Trust and all notes evidencing indebtedness secured by this Deed of Trust to Trustee. Trustee shall inclose the Property without warranty and without charge to the person or persons legally entitled thereto. Such person or persons shall pay all costs of inclosing, if any.

23. Substitute Trustee. In accordance with terms of the last Lender's note from time to time issued, a substitute trustee may, if Trustee appointed hereunder was heretofore so, without conveyance of the Property, the substitute trustee shall have to all the title, power and duties conferred upon the Lender herein and be equally liable for.

24. Use of Property. The Property is not now intended, nor is it intended to be used for

IN WITNESS WHEREOF, Borrower has executed this Deed of Trust

Paul T. Leal

Melanie J. Leal

STATE OF WASHINGTON, Spokane

On this Twentieth day of September, 1985, before me, a Notary Public in and for the State of Washington, appeared Paul T. Leal and Melanie J. Leal, husband and wife, who acknowledged the foregoing instrument as their own and who executed the foregoing instrument.

Witness my hand and seal of office

My Commission expires March 1, 1986

Notary Public

By Testimony

File in the office of the Notary Public in and for the State of Washington, County of Spokane, Washington, the foregoing instrument, together with the fee thereon, and keep the same in full force and effect until the expiration of the term of office of the Notary Public in and for the State of Washington, County of Spokane, Washington, who has signed the foregoing instrument.

Date

67210

STATE OF WASHINGTON
COUNTY OF SPOKANE

I HEREBY CERTIFY THAT THE ABOVE

INSTRUMENT IS CORRECTLY FILED BY

Shirley L. Little, Jr.

a Notary Public

on the 12th day of

SEP 1985

at the County of Spokane, State of Washington

My Commission Expires

SEP 1986

Notary Public

Shirley L. Little, Jr.

Notary Public

Shirley L. Little, Jr.

Notary Public

Shirley L. Little, Jr.

Notary Public

REGISTERED
INDEXED, SERIALIZED
FILED
RECORDED
CONFIRMED
MAILED