

## DEED OF TRUST

THIS DEED OF TRUST is made this 21st day of October , 1980 , among the  
Grantor, MICHAEL D. ELLSWORTH AND COLLEEN M. DANIELS

TRANSAMERICA TITLE INSURANCE COMPANY  
and the Beneficiary, BENJ. FRANKLIN FEDERAL SAVINGS AND LOAN ASSOCIATION OF PORTLAND  
organized and existing under the laws of United States of America  
One SW Columbia Street, Portland, Oregon 97258

Borrower, in consideration of the indebtedness herein recited and the trust herein created, irrevocably grants and conveys to Trustee, in trust, with power of sale, the following described property located in the County of SKAMANIA State of Washington:



A TRACT OF LAND IN THE NORTHWEST QUARTER OF SECTION 34, TOWNSHIP 4 NORTH, RANGE 8 EAST OF THE WILLAMETTE MERIDIAN, IN THE COUNTY OF SKAMANIA, STATE OF WASHINGTON, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF THE NORTHWEST QUARTER; THENCE NORTH 87° 01' 27" WEST 1295.42 FEET; THENCE SOUTH 01° 22' 59" LAST 30 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING SOUTH 01° 22' 59" AND 408.00 FEET; THENCE NORTH 87° 01' 27" WEST 134.50 FEET; THENCE NORTH 01° 22' 59" EAST 257.94 FEET; THENCE NORTH 87° 01' 27" LAST 18.31 FEET; THENCE NORTH 01° 22' 59" EAST 150.06 FEET; THENCE NORTH 87° 01' 27" LAST 13.07 FEET TO THE TRUE POINT OF BEGINNING;

TOGETHER WITH ROAD RIGHT OF WAY FOR ACCESS TO EXISTING COUNTY ROAD.

Grantor will pay all taxes, assessments, and other charges thereafter created on the property, and no subsequent rights or burdens will be imposed thereon, except to the right and authority given herein to Lender to collect and apply as payment of debts, taxes, assessments, and other charges, and to make all payments, taxes, assessments, and other charges, which become due and payable on the property, and where the funds so collected, and amounts thereto shall be paid over hereinafter, shall be held by the property owner, and where the funds so collected, and amounts thereto shall be paid over to and applied against the property owner, by this Deed of Trust, and also the foregoings, together with property, the title of which is established by this Deed of Trust, is in a lessor and are herein referred to as "Property".

Grantor agrees to pay to Lender, at the time of the cancellation of the note by Borrower's note of even date herewith, or on or before November 1, 2010, the sum of **Forty Five Thousand Two Hundred and No/100 Dollars**, with interest thereon accruing for monthly principal and interest, with the balance of the indebtedness, if any, due and payable on November 1, 2010, and to pay to Lender, at the time of the cancellation of the note by Borrower, the sum of **Forty Five Thousand Two Hundred and No/100 Dollars**, with interest thereon accruing in accordance with the terms of the note, the security of this Deed of Trust, and the performance of the covenants and agreements contained herein contained, and (b) the repayment of any future advances, with interest thereon, made to Borrower by Lender pursuant to paragraph 21 hereof, herein referred to as "Future Advances".

Borrower covenants that Borrower is lawfully seized of the estate hereby conveyed and has the right to grant and convey the Property, that the Property is unencumbered, and that Borrower will warrant and defend generally the title to the Property against all claims and demands, subject to any easements and restrictions, listed in a schedule of exceptions, to coverage at any title insurance policy insuring Lender's interest in the Property.

**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, (repayment and late charges as provided in the Note, and the principal of and interest on any Future Advances secured by this Deed of Trust).

**2. Funds for Taxes and Insurance.** Subject to Lender's option under paragraphs 4 and 5 hereof, 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 deposits or accounts of which are insured or guaranteed by a Federal or state agency (including Lender if Lender is such an institution). Lender shall apply the Funds to pay said taxes, assessments, insurance premiums and ground rents. Lender shall make no charge for so holding and applying the Funds or verifying and compiling said assessments and bills. 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

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to Borrower, and unless such agreement is made, Lender shall not be required to pay Borrower any interest 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, shall 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 thirty days after notice from 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 Funds held by Lender.

If under paragraph 18 hereof the Property is sold or the Property is otherwise acquired by Lender, Lender shall apply, no later than immediately prior to the sale of the Property or its acquisition by Lender, any Funds held by Lender at the time of application as a credit against the sums secured by this Deed of Trust.

**3. Application of Payments.** Unless applicable law provides otherwise, all payments received by Lender under the Note and paragraphs 1 and 2 hereof shall be applied by Lender first in payment of amounts payable to Lender by Borrower under paragraph 2 hereof, then to interest payable on the Note and on Future Advances, if any, and then to the principal of the Note and to the principal of Future Advances, if any.

**4. Charges; Liens.** Borrower shall pay all taxes, assessments and other charges, fees and impositions attributable to the Property which may attain a priority over this Deed of Trust and ground rents, if any, at Lender's option in the manner provided under Paragraph 2 hereof or by Borrower making payment when due directly to the payee thereof. Borrower shall promptly furnish to Lender all notices of attachment issued under this paragraph and in the event Borrower shall make payment directly, Borrower shall promptly furnish to Lender receipts evidencing such payments. Borrower shall promptly discharge any such lien or priority over this Deed of Trust, provided, that Borrower shall not be required to discharge any such lien or priority if Borrower shall agree in writing to the payment of the obligation secured by such lien or priority and Lender shall, in good faith contest such lien by, or defend enforcement of such lien or priority, or take any other steps to prevent the enforcement of the lien or forfeiture of the Property or any part thereof.

**5. Hazard Insurance.** Borrower shall keep the improvements on existing easements created on the Property insured against loss by fire, hazards incident within the same, extended coverage and such other hazards as Lender may require and in such amounts as Lender may prescribe. Lender may require, provided that Lender shall not require that the amount of such insurance exceed the amount required to cover the sums secured by this Deed of Trust.

The insurance carrier providing the insurance shall be entitled to recover without limitation by Lender provided that such approval shall not be unreasonably withheld or delayed, all amounts due and payable at Lender's option in the manner provided in Article 2, Section 2, hereof, for Disbursements and expenses when due directly to the insurance carrier.

All insurance policies and escrow accounts shall be held by the Lender, who may exercise all rights and remedies in respect of the mortgage estate in favor of and in full accordance with the terms and conditions contained therein, and Borrower shall not directly or indirectly pay or contribute to such premiums. In the event of a default in payment of any premium, the Lender may make arrangements for payment.

Unless I can get a copy of the original document, I would appreciate it if you could let me know what the original intent of this Decree was, and whether or not the security of this location would be maintained by the Freed of Flanders. I am also interested in the history of the castle, and the names of the various owners.

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The following is a list of the names of the members of the Board of Directors of the Company, the date of their election, and the number of shares held by each member.

If under paragraph 18 hereof, the Property is sold or let by the Lender, all rights, title and interest of Borrower in and to any investment portfolio and in and to the financial assets to the extent of the same retained by this Trustee of Trust immediately prior to such sale or acquisition, relating thereto, shall be the Property given to the said of acquisition shall pass to Lender.

**5. Preservation and Maintenance of Property; Leaseholdic Condominiums.** Borrower shall keep the Property in good repair and shall not permit or commit waste, impairment, or deterioration of the Property and shall comply with the provisions of any lease, if this Deed of Trust is on a leasehold. If this Deed of Trust is on a condominium unit, Borrower shall perform all of Borrower's obligations under the declaration of condominium or master deed, the by-laws and regulations of the condominium project and constituent documents.

**7. Protection of Lender's Security.** If Borrower fails to perform the covenants and agreements contained in this Deed of Trust, or if any action or proceeding is commenced which materially affects Lender's interest in the Property, including but not limited to eminent domain, insolvency, code enforcement, or arrangements or proceedings involving a bankrupt or defendant, then Lender at Lender's option, upon notice to Borrower, may make such appearances, disburse costs and take such action as is necessary to protect Lender's interest, including but not limited to, disbursement of reasonable attorney's fees and entry upon the Property to make repairs. 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 . . . rate stated in 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 by applicable law. Nothing contained in this paragraph 7 shall require Lender to incur any expense or do any act 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.

In 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 condemnor offers to make an award or settle a claim for damages, Borrower fails to respond to Lender within 30 days of the date of such notice, 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 of Borrower shall not operate to release, in any manner, the liability of the original Borrower and Borrower's successors in interest. Lender shall not be required to commence proceedings against such successor or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Deed of Trust by reason of any demand made by the original Borrower and 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 preclude the exercise of any right or remedy hereunder. The procurement of insurance or the payment of taxes or other liens or charges by Lender shall not be a waiver of Lender's right to accelerate the maturity of the indebtedness secured by this Deed of Trust.

**12. Remedies Cumulative.** All rights provided in this Deed of Trust are distinct and cumulative to any other right or remedy under this Deed of Trust, as afforded by law or equity, and may be exercised concurrently, independently or successively.

**13. Successors and Assigns; and Verbal Liability; Captions.** The covenants and agreements herein contained shall bind, and the terms hereunder shall inure to, the respective successors and assigns of Lender and Borrower, subject to the provisions of paragraph 17 hereof. All covenants and agreements of Borrower shall be joint and several. The captions and headings in the paragraphs of this Deed of Trust are for convenience only and are not to be used to interpret or define the provisions hereof.

**14. Notice.** Any notice to Borrower provided for in this Deed of Trust shall be given by mailing such notice by certified mail addressed to Borrower at the Property Address stated below, except for any notice required under paragraph 18 hereof to be given to Borrower in the manner prescribed by applicable law. Any notice provided for in this Deed of Trust shall be deemed to have been given to Borrower when given in the manner designated herein.

**15. Uniform Deed of Trust; Governing Law; Severability.** This form of deed of trust combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property. This Deed of Trust shall be governed by the law of the jurisdiction in which the Property is located. In the event that any provision or clause of this Deed of Trust or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Deed of Trust or the Note which can be given effect without such conflicting provision, and to this end the provisions of the Deed of Trust and the Note are declared to be severable.

**16. Borrower's Copy.** Borrower shall be furnished a conformed copy of this Deed of Trust at the time of execution or after recording hereof.

**17. Transfer of the Property; Assumption.** If all or any part of the Property or an interest therein is sold or transferred by Borrower without Lender's prior written consent, excluding (a) the creation of a lien or encumbrance subordinate to this Deed of Trust, (b) the creation of a purchase money security interest for household appliances, (c) a transfer by devise, descent or by operation of law upon the death of a joint tenant or (d) the grant of any household interest of three years or less not containing an option to purchase, Lender may, at Lender's option, declare all the sums secured by this Deed of Trust to be immediately due and payable. Lender shall have waived such option to accelerate if, prior to the sale or transfer, Lender and the person to whom the Property is to be sold or transferred reach agreement in writing that the credit of such person is satisfactory to Lender and that the interest payable on the sums secured by this Deed of Trust shall be at such rate as Lender shall request. If Lender has waived the option to accelerate provided in this paragraph 17 and if Borrower's successor in interest has executed a written assumption agreement accepted in writing by Lender, Lender shall release Borrower from all obligations under this Deed of Trust and the Note.

If Lender exercises such option to accelerate, Lender shall mail Borrower notice of acceleration in accordance with paragraph 14 hereof. Such notice shall provide a period of not less than 30 days from the date the notice is mailed within which Borrower may pay the sums declared due. If Borrower fails to pay such sums prior to the expiration of such period, Lender may, without further notice or demand on Borrower, invoke any remedies permitted by paragraph 18 hereof.

**NON-UNIFORM COVENANTS.** Borrower and Lender further covenant and agree as follows:

**18. Acceleration 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 to pay when due any sums secured by this Deed of Trust, Lender prior to acceleration shall mail notice to Borrower as provided in paragraph 14 hereof specifying: (1) the breach; (2) the action required to cure such breach; (3) a date, not less than thirty days from the date the notice is mailed to Borrower, by which such breach must be cured, and (4) 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. 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 invoke 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 invokes 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 shall record a notice of sale in each county in which the Property or some part thereof is located and shall mail copies of such notice in the manner prescribed by applicable law to Borrower and to the other persons prescribed by applicable law. 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 to 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 Trustee may determine. Trustee may postpone sale of all or any parcel of the Property by public announcement at the time and place of any previously scheduled 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 so sold without any covenant or warranty, express or implied. The recitals in 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 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 to the clerk of the superior court of the county in which the sale took place.

18. **Borrower's Right to Reinstate.** Notwithstanding Lender's acceleration of the sums secured by this Deed of Trust, Borrower shall have the right to have any proceeding begun by Lender to enforce this Deed of Trust discontinued at any time prior to sale of the Property pursuant to the power of sale contained in this Deed of Trust or at any time prior to entry 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, the Note and notes securing Future Advances, if any, and no acceleration accrued; (b) Borrower cures all breaches of any other covenants or agreements of Borrower contained in this Deed of Trust; (c) 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 (d) 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 unbroken. 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.

19. **Assignment of Rents; Appointment of Receiver; Lender in Possession.** An additional security 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, 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.

20. **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.

21. **Reconveyance.** Upon payment of all sums secured by this Deed of Trust, Lender shall request Trustee to reconvey the Property and shall surrender this Deed of Trust and all notes evidencing indebtedness secured by this Deed of Trust to Trustee. Trustee shall reconvey the Property without warranty and without charge to the person or persons legally entitled thereto. Such person or persons shall pay all costs of recordation, if any.

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

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

IN WITNESS WHEREOF, Borrower has executed this Deed of Trust.

*Michael D. Ellsworth*  
MICHAEL D. ELLSWORTH —Borrower

*Colleen M. Daniels*  
COLLEEN M. DANIELS —Borrower

STAR ROUTE BOX 35

CARSON, WASHINGTON 98610  
Property Address

STATE OF WASHINGTON, Skamania County ss:  
On this 21st day of October, 1980, before me the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared MICHAEL D. ELLSWORTH AND COLLEEN M. DANIELS, to me known to be the individual(s) signing the foregoing instrument, and acknowledged to me that THEY described in and who executed said instrument as THEIR free and voluntary act and deed, for the uses and purposes therein mentioned.

WITNESS my hand and official seal affixed the day and year in this certificate above written.

*Notary Public in and for the State of Washington*  
Notary Public in and for the State of Washington  
residing at: Stevenson

#### REQUEST FOR RECONVEYANCE

To TRUSTEE:

The undersigned is the holder of the note or notes secured by this Deed of Trust. Said note or notes, together with all other indebtedness secured by this Deed of Trust, have been paid in full. You are hereby directed to cancel said note or notes and this Deed of Trust, which are delivered hereby, and to reconvey, without warranty, all the estate now held by you under this Deed of Trust to the person or persons legally entitled thereto.  
Dated:

Borrowers

STATE OF WASHINGTON, §  
COUNTY OF SKAMANIA, §

I HEREBY CERTIFY THAT THE ENTITLED

INSTRUMENT OF CONVEYANCE, FILED BY

ON 10/25/80 AT 11:45 AM 1980

AT 425 P.M. ON 10/25/80 1980

AS RECORDED IN BOOK #7

OF 116 AT PAGE 516

RECORDS OF SKAMANIA COUNTY, WASH.

COUNTY AUDITOR

DEPT:

SEND ALL TAX INFORMATION TO:  
MICHAEL D. ELLSWORTH AND  
COLLEEN M. DANIELS  
STAR ROUTE BOX 35  
CARSON, WA 98610

After recording return to:

SEAL FRANKLIN FEDERAL SAVINGS & LOAN ASSN.  
15th Street - Box Franklin Plaza  
One SW Columbia Street  
Portland, Oregon 97235

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|-------------|---------|
| SEARCHED    | INDEXED |
| SERIALIZED  | FILED   |
| OCT 26 1980 |         |