

WALTER F. HELLER WESTERN INCORPORATED
111 S.W. Columbia, Suite 900
Portland, Oregon 97201

A circular postmark from St. Louis, Mo., dated April 1921. The text "ST. LOUIS, MO." is curved along the top inner edge, and "APR 1921" is curved along the bottom inner edge. The center of the stamp contains the words "RECEIVED" and "ST. LOUIS, MO." in a stylized font. The number "1921" is also visible at the bottom.

DEED OF TRUST

THIS DEED OF TRUST, made this 6 day of June, 1981, between MORWOOD HOMES, INC., a Washington corporation, Grantor, whose address is 16509 S.E. First St., Vancouver, Washington; SAFECO TITLE INSURANCE COMPANY, KRAMAWIA COUNTY TITLE COMPANY, Trustee, whose address is P.O. Box 277, Stevenson, Washington 98648; and WALTER E. HELLER WESTERN INCORPORATED, Beneficiary, whose address is 111 S.W. Columbia, Suite 900, Portland, Oregon 97201.

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

Lot 10 of Block One of River Glen on the Washbougai River, according to the Official Plat thereof on file and of record at Page 132 of Book "A" of Plats, Records of Skamania County, Washington.

which real property is not used principally for agricultural or farming purposes, together with all the tenements, hereditaments, and appurtenances now or hereafter thereunto belonging or in any wise appertaining, and the rents, issues and profits thereof.

This loan is for the purpose of securing performance of each agreement of Grantor herein contained, and payment of the sum of Four Hundred Seventy-Five Thousand (\$475,000.00) Dollars, with interest, in accordance with the terms of a promissory note of even date, and all renewals, modifications and extensions thereof and also such further sums as may be advanced or loaned by Beneficiary to Grantor, together with interest thereon at such rate as shall be agreed upon.

To protect the security of this Deed of Trust, Grantor covenants and agrees:

1. To keep the property in good condition and repair; to permit no waste thereof; to complete any building, structure or improvement being built or about to be built thereon; to restore promptly any building, structure or improvement thereon which may be damaged or destroyed; and to comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting the property.

2. To pay before delinquent all lawful taxes and assessments upon the property; to keep the property free and clear of all other charges, liens or encumbrances impairing the security of this Deed of Trust.

3. To keep all buildings now or hereafter erected on the property described herein continuously insured against loss by fire or other hazards in an amount not less than the total debt secured by this Deed of Trust. All policies shall be held by the Beneficiary, and be in such companies as the Beneficiary may approve and have loss payable first to the Beneficiary as its interest may appear and then to the Grantor. The amount collected under any insurance policy may be applied upon any indebtedness hereby secured in such order as the Beneficiary shall determine. Such application by the Beneficiary shall not cause discontinuance of any proceedings to foreclose this Deed of Trust. In the event of foreclosure, all rights of the Grantor in insurance policies then in force shall pass to the purchaser at the foreclosure sale.

4. To defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee, and to pay all costs and expenses, including cost of title search and attorney's fees in a reasonable amount, in any such action or proceeding, and in any suit brought by Beneficiary to foreclose this Deed of Trust.

5. To pay all costs, fees and expenses in connection with this Deed of Trust, including the expenses of the Trustee incurred in enforcing the obligation secured hereby and Trustee's and attorney's fees actually incurred, as provided by statute.

6. Should Grantor fail to pay when due any taxes, assessments, insurance premiums, liens, encumbrances or other charges against the property hereinabove described, Beneficiary may pay the same, and the amount so paid, with interest at the rate set forth in the note secured hereby, shall be added to and become a part of the debt secured in this Deed of Trust.

IT IS MUTUALLY AGREED THAT:

1. In the event any portion of the property is taken or damaged in an eminent domain proceeding, the entire amount of the award or such portion thereof as may be necessary to fully satisfy the obligation secured hereby, shall be paid to Beneficiary to be applied to said obligation.

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

3. The Trustee shall reconvey all or any part of the property covered by this Deed of Trust to the person entitled thereto, on written request of the Grantor and the Beneficiary, or upon satisfaction of the obligation secured and written request for reconveyance made by the Beneficiary or the person entitled thereto.

4. Upon default by Grantor in the payment of any indebtedness secured hereby or in the performance of any agreement contained herein, all sums secured hereby shall immediately become due and payable at the option of the Beneficiary. In such event and upon written request of Beneficiary, Trustee shall sell the trust property, in accordance with the Deed of Trust Act of the State of Washington (as amended), at public auction to the highest bidder. Any person except Trustee may bid at Trustee's sale. Trustee shall apply the proceeds of the sale as follows: (1) to the expense of the sale, including a reasonable Trustee's fee and attorney's fee; (2) to the obligation secured by this Deed of Trust; (3) the surplus, if any, shall be distributed to the persons entitled thereto or may be deposited (less clerk's filing fee) with the clerk of the superior court of the county in which sale takes place.

5. Trustee shall deliver to the purchaser at the sale its deed, without warranty, which shall convey to the purchaser the interest in the property which Grantor had or had the power to convey at the time of his execution of this Deed of Trust, and such as he may have acquired thereafter. Trustee's deed shall recite the facts showing that the sale was conducted in compliance with all the requirements of law and of this Deed of Trust, which recital shall be prima facie evidence of such compliance and conclusive evidence thereof in favor of bona fide purchasers and encumbrancers for value.

6. The power of sale conferred by this Deed of Trust and by the Deed of Trust Act of the State of Washington is not an exclusive remedy; Beneficiary may cause this Deed of Trust to be foreclosed as a mortgage.

7. In the event of the death, incapacity, disability or resignation of Trustee, Beneficiary may appoint in writing a successor trustee, and upon the recording of such appointment in the mortgage records of the county in which this Deed of Trust is recorded, the successor trustee shall be vested with all powers of the original trustee. The trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Grantor, Trustee or Beneficiary shall be a party unless such action or proceeding is brought by the Trustee.

8. This Deed of Trust applies to, inures to the benefit of, and is binding not only on the parties hereto, but on their heirs, devisees, legatees, administrators, executors, successors and assigns. The term Beneficiary shall mean the holder and owner of the note secured hereby, whether or not named as Beneficiary herein.

Grantor shall promptly pay when due the principal of and interest on the indebtedness secured hereby, prepayment and late charge and the principal and interest on any other past or future loans or advances secured by this Deed of Trust.

10. Beneficiary may make or cause to be made reasonable entries upon and inspections of the real property, provided that the Beneficiary shall give Grantor notice prior to any such inspection specifying a reasonable cause therefor related to Beneficiary's interest in the real property.

11. Any forbearance by Beneficiary 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 Beneficiary shall not be a waiver of Beneficiary's right to accelerate the maturity of the indebtedness secured by this Deed of Trust.

12. As additional security, Grantor hereby assigns to Beneficiary all rents from the real property, provided, however, that Grantor shall, prior to default have the right to collect and retain such rents as they become due and payable. Upon acceleration for default or upon abandonment of any portion of the real property, Beneficiary, in person, by agent or by judicially appointed receiver, shall be entitled to enter upon, take possession of and manage the real property and collect the rents of the property, including those past due. All rents collected by the Beneficiary or the receiver shall be applied first to the payment of the costs of management of the property and collection of rents including, but not limited to, receiver's fees, premium on receiver's bonds and reasonable attorneys' fees, and then to

the sum secured by this Deed of Trust. Beneficiary and the receiver shall be liable to account only for those rents actually received.

13. Upon request of the Grantor, Beneficiary, at Beneficiary's option prior to full reconveyance of the property by Trustee to Grantor may make future advances to Grantor. Such future advances, with interest thereon, shall be secured by this Deed of Trust.

14. This Deed of Trust secures all sums heretofore or hereafter loaned or advanced to Grantor.

NORWOOD HOMES, INC.

By

C. David Callahan
President

By

Dennis D. Burke
Secretary

STATE OF WASHINGTON

County of Clark)

ss.

This certifies that on this 6th day of April, 1981, before me, the undersigned, a notary public in and for said county and state, personally appeared C. David Callahan and Dennis D. Burke, both to me personally known, who being duly sworn, did say that the former is the president and the latter is the secretary of NORWOOD HOMES, INC., the within named corporation, and that the seal affixed to said instrument is the corporate seal of said corporation, and that the said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and they acknowledged said instrument to be the free act and deed of said corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and seal the day and year last above written.



Charles A. Fennell
Notary Public for Washington
My Commission Expires: 4-1-84
Residing at Vancouver

