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RECORDED AT THE REQUEST OF  
AND AFTER RECORDING RETURN TO:

WASHINGTON MUTUAL BANK  
Loan Servicing  
P.O. Box 9100, SAS0304 91141  
Seattle, Washington 98111  
[Loan No. 01-0988-001250448-6]

FILED FOR RECORD  
SKAMANIA CO. WASH  
BY SKAMANIA CO. TITLE

Oct 1 1 02 PM '98

*Olson*  
AUDITOR  
GARY H. OLSON

By *Olson*  
Indexed, *ls*  
Direct  
Filed  
Valid

BE ADVISED THAT THE OBLIGATIONS SECURED BY THIS TRUST  
DEED PROVIDE FOR A VARIABLE RATE OF INTEREST.

#### DEED OF TRUST

Grantor: BERT S. MITCHELL and VIRGINIA I. MITCHELL,  
husband and wife  
Grantee: WASHINGTON MUTUAL BANK, a Washington  
corporation  
Legal Description: Lot 2, Malfait Riverfront Tracts, p. 123, Book "A" of  
Plats, Skamania County, Washington  
Assessor's Tax Parcel ID #: 02-05-31-4-3-1100-00

THIS DEED OF TRUST, made this 29th day of September, 1998 among BERT S. MITCHELL and VIRGINIA I. MITCHELL, husband and wife (collectively, "Grantor"), whose address is 214 Malfait Road, Washougal, Washington 98648; SKAMANIA COUNTY TITLE COMPANY ("Trustee"), whose address is P.O. Box 277, Stevenson, Washington 98648; and WASHINGTON MUTUAL BANK, a Washington corporation ("Beneficiary"), whose address is 1201 Third Avenue, Seattle, Washington 98101.

Grantor hereby bargains, sell and conveys to Trustee in Trust, with power of sale, all Grantor's present and future right, title and interest in the real property in Skamania County, Washington described in Exhibit A attached to this Deed of Trust (the "Property") which Property is not used principally, or at all, for agricultural or farming purposes, together with all the rents, issues and profits thereof. \*Page 6 herein

#### IT IS MUTUALLY AGREED THAT:

1. This Deed of Trust is for the purpose of securing performance of each agreement of Grantor herein contained, and payment of all amounts at any time owed under

the terms of two continuing guaranty agreements of even date herewith, pursuant to which Grantor has guaranteed certain obligations of CLM Development L.L.C. ("Borrower"), including, but not limited to, a promissory note of even date herewith in the original principal amount of \$1,905,000, payable to Beneficiary or order, and made by Borrower, and all renewals, modifications and extensions thereof.

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

a. 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.

b. To pay before delinquent all taxes and assessments upon the Property.

c. To keep the Property free and clear of all charges, liens or encumbrances other than this Deed of Trust.

d. To keep all buildings now or hereafter erected on the Property 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 (pursuant to such form of endorsement as Beneficiary may require), 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.

e. 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 fees of attorneys, appraisers and environmental consultants retained by Beneficiary in a reasonable amount) in any such action or proceeding, and in any suit brought by Beneficiary to foreclose this Deed of Trust.

f. 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 actually incurred by Beneficiary.



g. Should Grantor fail to pay when due any taxes, assessments, insurance premiums, liens, encumbrances or other charges against the Property, 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.

3. 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 as may be necessary to fully satisfy the obligation secured hereby, shall be paid to Beneficiary to be applied to said obligation.

4. 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.

5. 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.

6. Upon default by Grantor or Borrower 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 Property, in accordance with the Deed of Trust Act of the State of Washington, 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.

7. 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 Grantor 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.

8. 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.

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9. 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.

10. 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 and assigns. The term Beneficiary shall mean the holder and owner of the note secured hereby, whether or not named as Beneficiary herein.

**ORAL AGREEMENTS OR ORAL COMMITMENTS TO LEND MONEY,  
EXTEND CREDIT, OR TO FORBEAR FROM ENFORCING  
REPAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER  
WASHINGTON LAW**

GRANTOR:

  
BERT S. MITCHELL

  
VIRGINIA I. MITCHELL



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STATE OF WASHINGTON  
COUNTY OF CLARK

ss.

I certify that I know or have satisfactory evidence that BERT S. MITCHELL is the person who appeared before me, and said person acknowledged that said person signed this instrument and acknowledged it to be said person's free and voluntary act for the uses and purposes mentioned in the instrument.

Dated this 29th day of SEPTEMBER, 1998.

JANIS G. WOODMAN  
STATE OF WASHINGTON  
NOTARY — — — PUBLIC  
My Commission Expires July 1, 2002

Janis G. Woodman  
(Signature of Notary)

JANIS G. WOODMAN  
(Legibly Print or Stamp Name of Notary)  
Notary public in and for the state of Washington,  
residing at VANCOUVER  
My appointment expires 7-1-02

STATE OF WASHINGTON  
COUNTY OF CLARK

ss.

I certify that I know or have satisfactory evidence that VIRGINIA I. MITCHELL is the person who appeared before me, and said person acknowledged that said person signed this instrument and acknowledged it to be said person's free and voluntary act for the uses and purposes mentioned in the instrument.

Dated this 29th day of SEPTEMBER, 1998.

JANIS G. WOODMAN  
STATE OF WASHINGTON  
NOTARY — — — PUBLIC  
My Commission Expires July 1, 2002

Janis G. Woodman  
(Signature of Notary)

JANIS G. WOODMAN  
(Legibly Print or Stamp Name of Notary)  
Notary public in and for the state of Washington,  
residing at VANCOUVER  
My appointment expires 7-1-02

EXHIBIT A

The following real property located in Skamania County, Washington:

Lot 2, of MALFAIT RIVER FRONT TRACTS, according to the plat thereof, on file and of record at Page 123 of Book "A" of Plats, records of Skamania County, Washington.