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BOOK 194 PAGE 55

AFTER RECORDING, RETURN TO:

Covenant Mortgage Corporation
9725 SE 36th St., Suite 304
Mercer Island, WA 98040

FILED
SKAMANIA CO. TITLE

OCT 3 1 05 PM '99

O'Leary
GARY L. O'LEARY

**SHORT FORM
DEED OF TRUST**
(CMC Loan No. 9931)

Grantors: Westpatriot Investments, Inc.
Chicago Loans & Liquidations, Inc.

Grantee: COVENANT MORTGAGE CORPORATION

Abbreviated Legal Description:

SCR 27923

Portion of the SW 1/4 of Section 16, and the NE 1/4 of the SE 1/4 of Section 17,
Township 2N, Range 13E, W.M.; and
Portion of Lot 2, Short Plat No. SP-96-19; and
Portion of Section 23, Township 3N, Range 10E, W.M., Klickitat County, WA; and
Lot 3, Oregon Lumber Company Subdivision, Book A, Page 29, Skamania County,
WA.

The complete legal description is located on Exhibit A found on pages 9-12.

Tax Parcel Nos.: Klickitat County: 02-13-1600-0003/00, 02-13-1700-0004/00; 03-10-2315-
0002/00; 03-10-2314-0010/00.
Skamania County: 03-09-14-2-0-1700-00.

Documents Affected: Klickitat County Nos. 247540, 250245, and 1012198.

THIS DEED OF TRUST is made as of this 24th day of September, 1999, between Westpatriot Investments, Inc., a Washington corporation and Chicago Loans & Liquidations, Inc., a Washington corporation, collectively referred to herein as GRANTOR, whose address for all purposes related hereto is 115 W. Yakima Ave., Yakima, WA 98902, and Robert B. Spitzer, Esq., as TRUSTEE, whose address is 1191 Second Avenue, 18th floor, Seattle, WA 98101 and COVENANT MORTGAGE CORPORATION, as BENEFICIARY, whose address is 9725 SE 36th Street, Suite 304, Mercer Island, WA 98040.

Grantor hereby irrevocably grants, bargains, sells and conveys to Trustee in trust, with power of sale, the following described property (the "Property") in Klickitat and Skamania Counties, Washington:

Prepared by _____
Reviewed by _____
Signed by _____
Noted by _____

See Exhibit A hereto, which is incorporated herein by this reference.

TOGETHER WITH all the tenements, hereditaments and appurtenances, now or hereafter thereunto belonging or in any way appertaining, including without limitation all irrigation, crop, timber, produce, mineral, subterranean, oil, lateral support, air, view and development rights, and the rents, issues and profits thereof and all other property or rights of any kind or nature whatsoever further set forth in the Master Form Deed of Trust hereinafter referred to and all other rights mentioned herein (included in the term "Property"), **SUBJECT, HOWEVER,** to the right, power and authority hereinafter given to and conferred upon Grantor to collect and apply such rents, issues and profits prior to default hereunder;

TOGETHER WITH all of Grantor's right, title and interest in and to all of its plans, specifications, surveys, plats, analyses, permits, reports, studies and entitlements related to the development of the Property described herein (referred to herein as "Plans and Permits");

TOGETHER WITH all easements, rights-of-way, rights of ingress and egress and all rights used in connection therewith or as a means of access thereto, streets, alleys, roads and all estates, rights, titles, interests, reversions, remainders, tenements, hereditaments and appurtenances thereof and thereto (all of which are included in the term "Property");

TOGETHER WITH all leasehold estate, right, title and interest of Grantor in, to and under all leases, subleases, tenancies, rental agreements, franchises or licenses covering the Property or any portion thereof now or hereafter existing or entered into, and all amendments, extensions, renewals and guaranties thereof, and all right, title and interest of Grantor thereunder ("Leases");

TOGETHER WITH all rents, income, issues and profits (including any payment(s) in exchange for lease termination or cancellation) of the Property and all the estate, right, title and interest of every nature whatsoever of Grantor in, to and under the same and the Leases, including all cash or security deposits (whether held by Grantor or in a trust account), advance rentals, and deposits or payments of similar nature (all, the "Rents");

TOGETHER WITH all right, title and interest of Grantor in, to and under all options to purchase or lease the Property or any portion thereof or interest therein, and any greater estate in the Property owned or hereafter acquired; and all interests, estates or other claims, both in law and in equity, which Grantor now has or may hereafter acquire in the Property (also a part of the "Property");

TOGETHER WITH any and all of Grantor's chattels, fixtures, attachments, appliances, apparatus, equipment, fittings, furniture, furnishings, partitions, machinery and other articles of personal property now or hereafter located or to be located at the Property as a part of the Improvements thereon, or erected or placed upon, attached to, or used, to be used or useful in

connection with the construction, operation, use or occupancy of the Property; all building materials, supplies and equipment now or hereafter delivered to the Property and intended to be installed thereon; and all renewals or replacements of any of the foregoing property or articles in substitution thereof ("Personal Property");

TOGETHER WITH all right, title and interest of Grantor in, to and under all accounts, documents, instruments, chattel paper and general intangibles (as those terms are used in the Uniform Commercial Code, RCW 62A), and all contracts and contract rights, (including all service contracts, management contracts, utility contracts, construction contracts and warranties relating thereto) franchises, books, records, plans, specifications, permits, licenses, approvals, sewer rights, actions and causes of action which now or hereafter relate to, are derived from or are used in connection with the Property, or relate to the use, operation, maintenance, occupancy or enjoyment thereof or the conduct of any business or activities thereon ("Intangibles");

TOGETHER WITH all unearned premiums accrued, accruing or to accrue under insurance policies now or hereafter obtained by Grantor, and all awards, judgments, claims, compensation, settlements and proceeds of condemnation or insurance for the Property or the personal property described herein or any part thereof to which Grantor is entitled for any taking of or casualty to all or any part of the Property or personal property by condemnation or exercise of the right of eminent domain or casualty; all refunds with respect to the payment of property taxes and assessments; and all other proceeds of the conversion, voluntary or involuntary, of the property described herein or any portion thereof into cash or liquidated claims ("Proceeds");

TOGETHER WITH all right, title and interest of Grantor in all utility, escrow and all other deposits (and all letters of credit, certificates of deposit, negotiable instruments and other rights and evidence of rights to cash) relating to the Trust Estate or the construction or operation of the Property (all, "Deposits");

The Property, Plans and Permits, Leases, Rents, Personal Property, the Intangibles, the Deposits and the Rents (together with all Proceeds, substitutions, replacements and additions relating to any of them) and all other property described above are governed by RCW 61.24 to the extent allowed by law, and are further assigned to Beneficiary for security purposes pursuant to a Security Agreement as defined in Article 9 of the U.C.C. (RCW 62A). All of the real and personal property described herein is hereinafter referred to as the "Collateral". Grantor agrees that within five days after Beneficiary's written request following Grantor's default under the obligations secured hereby (a) to deliver over to Beneficiary or its agent the tangible Collateral and instruments evidencing ownership of the Collateral, and (b) to execute written assignments and/or notices, acknowledgments or other documents deemed necessary or appropriate by Beneficiary relating to the Collateral.

THIS DEED IS FOR THE PURPOSE OF SECURING PERFORMANCE of each agreement of Grantor incorporated by reference or contained herein and the payment of the sum of **FOUR HUNDRED AND FIFTY THOUSAND DOLLARS (\$450,000.00)** with interest

thereon according to the terms of a Promissory Note of even date herewith as part of the Beneficiary's loan referenced under the title of this document (the "Loan"), payable to Beneficiary or order and made by Grantor or Grantor's owner(s) or affiliate(s); all renewals, modifications or extensions thereof; and also such further sums as may be advanced or loaned by Beneficiary in connection with the Loan, together with interest thereon at such rate as is agreed upon; all fees, charges and other sums owed in connection with any agreements made by or between the parties; and all sums expended by Beneficiary to protect its security or the Collateral, including all costs and attorneys fees incurred in connection with challenges to Beneficiary's rights in the Collateral and the priority of Beneficiary's security interests and payments made by Beneficiary (at its sole discretion) to facilitate the sale of some or all of the Collateral.

Incorporated herein by this reference are the terms and conditions of the following agreements between some or all of the undersigned constituting Grantor and Beneficiary:

- Promissory Note dated this date
- Loan Agreement dated this date
- Assignment of Note and Deed of Trust for Security Purposes dated this date
- Mortgage Loan Application dated 9-20-99

In addition, if a Guaranty has been entered into in connection with the Loan, the terms thereof are incorporated herein and all monies due Beneficiary under the Guaranty are secured hereby. A breach or default under any of the incorporated agreements shall also be a breach or default under this Deed of Trust.

To the extent some of the undersigned persons/entities constituting the Grantor is/are not receiving the proceeds from the loan from Beneficiary, repayment of which is secured hereby, each of such co-grantors represent to Beneficiary and acknowledge that (a) he/she/it has received a benefit from the loan transaction secured hereby through the benefit conferred on the borrower, which is either an affiliate, relative, associate or other person or entity he/she/it intends to assist, (b) Beneficiary would not make the loan but for his/her/its participation in this Deed of Trust, and (c) he/she/it has reviewed the Promissory Note and other loan documents incorporated herein and approves said instruments.

By executing and delivering this Deed of Trust and the Note secured hereby, the parties agree that all provisions of Paragraphs 1 through 35, inclusive, of the Master Form Deed of Trust hereinafter referred to, except such paragraphs as are specifically excluded or are modified or superseded herein, are hereby incorporated herein by reference and made an integral part hereof for all purposes the same as if set forth herein at length, and the Grantor hereby makes said covenants and agrees to fully perform all of said provisions. The Master Form Deed of Trust above referred to was recorded in the Official Records of the office of the Recorder of Klickitat County at Auditor's No. 131095 and the office of the Recorder of Skamania County at Auditor's No. 70197.

A copy of such Master Form Deed of Trust is hereby furnished to the person executing this Deed of Trust and by executing this Deed of Trust the Grantor acknowledges receipt of such Master Form Deed of Trust.

Grantors warrant and represent that the Property is not presently and shall not be used principally for agricultural purposes.

Grantors and Borrowers acknowledge that they may be liable for a deficiency judgment after nonjudicial foreclosure of this trust deed for damages due to waste of the property or the wrongful retention of any rents, insurance proceeds, or condemnation awards by the Borrower or Grantor, to the extent set forth in R.C.W. 61.24.100. Those obligations are specifically carved out from the obligations secured by this deed of trust which are extinguished through a nonjudicial foreclosure. Grantor also hereby agrees to pay the costs of any property appraisals that may be obtained in connection with a suit for a deficiency judgment, which obligation is similarly carved out from the obligations secured by this deed of trust.

The following paragraphs of the Master Form Deed of Trust (hereinafter "MFDT") are hereby specifically excluded or modified:

1. Paragraph 2 of the MFDT is hereby amended to read as follows:

"This Deed of Trust also shall be deemed a Security Agreement as defined in the Uniform Commercial Code (RCW 62A) if and to the extent any of the property described in Section 1 of the MFDT or the Collateral are considered to be other than real estate by a court of law or equity, notwithstanding the provisions herein that it shall be considered real property subject to the Deed of Trust, and the remedies for any violation of the covenants, terms and conditions of the agreements herein contained shall be (i) as prescribed herein, or (ii) by general law, or (iii) as provided in the Uniform Commercial Code with respect to said property, at Beneficiary's option. Grantor agrees that this provision shall not derogate from or impair the parties' intention that all of the rights, estates and property described in Section 1 of the MFDT and the Collateral shall be and are hereby considered part of the real estate irrespective of whether (i) any such item is physically attached to the improvements, (ii) serial numbers are used for the better identification of certain items, or (iii) a UCC financing statement is filed with reference to said property in connection with the loan secured hereby."

2. Paragraph 5 of the MFDT is hereby amended to read as follows:

"In the event that any payment or portion thereof is not paid within seven (7) days, commencing with the date it is due, Beneficiary may collect, and Grantor agrees to pay with such payment, a 'late charge' of ten cents (\$.10) for each dollar so overdue as liquidated damages for the additional expense of handling such delinquent payments."

3. Paragraph 8 of the MFD T is hereby amended as follows:

(i) Paragraph 8(d) is amended to read as follows: "That work shall not cease on the construction of such improvements for any reason whatsoever for a period of fifteen (15) or more consecutive days."

(ii) There is added to paragraph 8 a new subsection to read as follows: "(e) The right of Beneficiary to inspect, supervise or approve any plans and specifications, or any construction, materials or other aspects or phases of the project which is the subject hereof, is solely for the purpose of enabling Beneficiary to administer the debts secured hereby and to protect its security therefor, and no such inspection, supervision or approval shall be deemed to be for the benefit of any person or party other than Beneficiary; and no other person or party, including, without limitation, the Grantor or its successor or successors, shall have any right whatsoever to rely in any respect or to any extent upon any such inspection, supervision or approval by Beneficiary."

4. Paragraph 14 of the MFD T is hereby amended to add thereto the following provisions:

"(i) The provisions of paragraph 14, whenever applicable, shall be deemed to empower Beneficiary or Trustee to make advances or incur costs and expenses for inspecting the premises periodically, keeping the Collateral in good repair and protecting the premises from loss, waste, damage or injury;

(ii) Beneficiary or Trustee, as the case may be, shall be the sole and conclusive judge of the need for any advances made or expenses incurred under the terms of this paragraph 14;

(iii) The amount of the advances made or expenses incurred hereunder shall be added to the indebtedness secured hereby and may be recovered in full, together with interest thereon at the legal rate, by the Beneficiary."

5. Paragraph 25 of the MFD T is hereby amended as follows:

(i) Clause (c) thereof is hereby deleted and removed, and the following is added and substituted therefor: "Due on Sale. The Collateral will not be sold, conveyed, encumbered or transferred by Grantor without Beneficiary's prior written consent. If title to said Collateral shall pass from Grantor by deed or otherwise, or if said property is sold on contract, or if the property is vacated by Grantor, such change in title or occupancy shall be deemed to increase the risk of Beneficiary, and Beneficiary may declare the whole amount of principal and interest then unpaid on the Note secured hereby immediately due and payable, or may, at its sole option, consent to such change in title or occupancy and increase the interest rate on said Note." Notwithstanding the aforesaid, the undersigned may convey portions of

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the Collateral pursuant to the Partial Reconveyance provisions of the Mortgage Loan Application, if any."

(ii) There is added as an additional event of default under Clause (d) thereof the following: "(vii) a decision by any court of competent jurisdiction that this Deed of Trust is not in the lien position (or better from Beneficiary's perspective) on the Property promised in the Mortgage Loan Application dated 9-20-99."

The undersigned Grantor requests that a copy of any Notice of Default and of any Notice of Sale hereunder be mailed to him at the address hereinbefore set forth.

All of the individuals signing on behalf of their respective entities warrant and represent that they have the authority to execute this instrument on behalf of their entities.

WITNESS the hand(s) and seal(s) of the Grantor(s) on the day and year recorded in the acknowledgement(s) which follows.

WESTPATRIOT INVESTMENTS, INC., a
Washington corporation

By:


Delwayne L. Matthews, President

CHICAGO LOANS & LIQUIDATIONS, INC., a
Washington corporation

By:

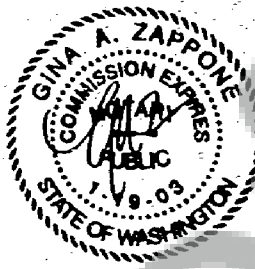

Delwayne L. Matthews, President

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STATE OF WASHINGTON)
) ss:
COUNTY OF KING)

On this 23rd day of September, 1999, before me personally appeared Delwayne L. Matthews, to me known to be the President of the corporations that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporations, for the uses and purposes therein mentioned, and on oath stated that he/she was authorized to execute said instrument on behalf of said corporations.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.



Name of Notary: Gina A. Zappone
My Commission expires: 9-19-03

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EXHIBIT A

The following property located in Klickitat County, Washington:

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PARCEL 1:

Lot 2, SHORT PLAT NO. SP-96-19, according to the recorded Short Plat thereof, recorded in Book 2, page 239, Klickitat County Short Plat Records, being a portion of the Southeast Quarter of the Northeast Quarter and the Southwest Quarter of the Northeast Quarter of Section 23, Township 3 North, Range 10 East, W.M.

EXCEPTING THEREFROM Lot 1 of BOUNDARY LINE ADJUSTMENT NO. BL-94-03, according to the Boundary Line Plat thereof, recorded in Book 1, page 75, Klickitat County Boundary Line Adjustment Records.

PARCEL 2:

Beginning at a point on the North line of the Southeast Quarter of the Northeast Quarter of Section 23, Township 3 North, Range 10 East, W.M., which is 676.5 feet East of the Northwest corner thereof;

Thence South 330 feet;

Thence West 110.55 feet, more or less, to the Northeast corner of that tract conveyed to John B. Humphrey by Deed recorded April 9, 1908, in Book W of Deeds, page 560;

Thence South 165 feet to a point which is 495 feet South of the North line of said quarter quarter;

Thence East parallel with said North line, a distance of 358 feet, more or less, to the West line of that tract conveyed to John Saul, Jr., et al, by deed recorded March 23, 1908 in Book W. of Deeds, page 508;

Thence North along the West line of said Tract 495 feet, to the North line of said quarter quarter;

Thence West along said North line a distance of 247.5 feet, more or less to the point of beginning.

EXCEPTING THEREFROM that portion conveyed to the State of Washington by Deed recorded October 31, 1956, in Book 122, page 584 Klickitat County Deed Records.

ALSO EXCEPTING THEREFROM that portion lying within Lot 2, Short Plat No. SP-92-15, according to the recorded Short Plat thereof, recorded in Book 2, page 136, Klickitat County Short Plat Records.

EXHIBIT "A"-2

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IN COUNTY OF KLIKITAT, STATE OF WASHINGTON

PARCEL 1

That part of the Southwest Quarter of Section 16, and the Northeast Quarter of the Southeast Quarter of Section 17, Township 2 North, Range 13 East, W.M., more particularly described as follows:

Commencing at the South Quarter corner of said Section 16;
Thence North 2640 feet to the center of the Section;
Thence West 1588.5 feet to the Northeasterly line of the right of way of the State Highway;
Thence South 34°05' East 441.7 feet along said Northeasterly right of way line;
Thence Southerly 166.5 feet across said highway;
Thence South 34°05' East 500.7 feet along the Southwesterly right of way line of said highway to point A;
Thence continue South 34°05' East along said highway 28.24 feet to an iron pipe set in the ground, said pipe being 1779.17 feet North and 915.42 feet West from the South Quarter corner of said Section 16;
Thence South 59°10'22" West along an existing fence line 260.40 feet;
Thence North 34°05'00" West 60.10 feet;
Thence South 59°10'22" West 105.31 feet;
Thence South 55°55'00" West 74.88 feet to the true point of beginning of this description, said point being point B;
Thence continuing South 55°00' West 1152.63 feet, more or less, to the Easterly right of way line of the Burlington-Northern Railroad;
Thence North 11°34'21" West along said line 1915.63 feet, more or less, to the North line of the Southeast Quarter of said Section 17;
Thence South 86°21'38" East along said line 186.38 feet to the Quarter corner common to said Sections 16 and 17;
Thence continuing South 86°21'38" East along the East-West centerline of said Section 16 a distance of 343.61 feet to a point which is 440 feet Southwesterly (when measured at right angles from the Westerly right of way line of said Washington State Highway No. 8);
Thence South 34°05'00" East parallel with and 440 feet Southwesterly of the Westerly line of said Washington State Highway No. 8 a distance of 1445.40 feet, more or less, to the true point of beginning of this description.

PARCEL 2

TOGETHER WITH a non-exclusive easement for buried utilities, ingress and egress over and across the following described property:

A strip of land 60 feet wide lying 30 feet on each side of the following described centerline:

Commencing at a point B of the above described Parcel 1;
Thence South 55°55'00" West along the Southerly line of said Parcel A 381.83 feet;
Thence leaving the Southerly boundary of said tract South 34°05'00" East 30 feet to the true point of beginning of said Easement centerline;
Thence North 55°55'00" East 455.85 feet;
Thence North 59°10'22" East 156.23 feet to a point which is 210 feet Southwesterly

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EXHIBIT "A"-3

(when measured at right angles from the Westerly right of way line of Washington State Highway No. 8);
Thence Northwesternly parallel with and 210 feet Southwesterly of said Washington State Highway Westerly right of way line a distance of 792.85 feet;
Thence North 55°55'00" East 210 feet to the Westerly right of way line of said highway and terminus of this description.

EXCEPT that portion, if any, lying Southeasterly of the following described line;

Commencing at a point A of the above described Parcel A;
Thence South 55°55'00" West 368.1 feet;
Thence South 197.4 feet to the Southwest corner of the Northeast Quarter of the Southwest Quarter of said Section 16, and the terminus of said line. Said Easement being appurtenant to Parcel 1.

PARCEL 3

A non-exclusive easement for buried utilities, ingress and egress over and across the following described property:

A strip of land 60 feet wide lying 30 feet on each side of the following described centerline:

Commencing at a point B of the above described Parcel 1;
Thence North 34°05'00" West along the Easterly line of said Parcel A 592.94 feet to the true point of beginning of said easement centerline;
Thence North 39°12'03" East 208.81 feet to a point on the Westerly line of Parcel 2, above described and there terminating. Said Easement being appurtenant to Parcel 1.

PARCEL 4

That portion of the Second Class Shorelands, if any, in front of Government Lots 1 and 2 in Section 17, Township 2 North, Range 13 East, W.M., lying Northerly of the following described line:

Commencing at the South Quarter corner of Section 16;
Thence North 2640 feet to the center of the Section;
Thence West 1588.5 feet to the Northeasterly line of the Right of way of the State Highway;
Thence South 34°05' East 441.7 feet along said Northeasterly right of way line;
Thence Southerly 166.5 feet across said highway;
Thence South 34°05' East 500.7 feet along the Southwesterly right of way line of said highway to point A;
Thence continue South 34°05' East along said highway 28.24 feet to an iron pipe set in the ground, said pipe being 1779.17 feet North and 915.42 feet West from the South Quarter corner of said Section 16;
Thence South 59°10'22" West along the existing fence line 260.49 feet;
Thence North 34°05'00" West 60.10 feet;
Thence South 59°10'22" West 105.31 feet;
Thence South 55°55'00" West to the Shoreline of the Columbia River;
Thence extending at right angles from the Shoreline to the line of Navigability of said River and the terminus of said line.

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The following property located in Skamania County, Washington:

The West one-half of Lot 3, OREGON LUMBER COMPANY SUBDIVISION, according to Skamania County Records, Book A of Plats, Page 29, in Section 14, Township 3 North, Range 9 East of the Willamette Meridian.

ALSO beginning at a point of intersection of the West line of the East one-half of said Lot 3 with the South line of County Road known as Jessup Road; thence South 280 feet; thence East 112 feet; thence North to the South line of said Jessup Road; thence Westerly along the South line of said road to the point of beginning.

The postal address of which is more commonly known as:

231 Jessup Road
Cook, Washington 98605

EXHIBIT "A" - 4

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