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AFTER RECORDING MAIL TO:

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FILED FOR RECORD
SKAMANIA COUNTY WASH
BY *John P. Hagensen*
Jul 29 4 17 PM '02
Amosur
AUDITOR
J MICHAEL GARVISON

DEED OF TRUST

Grantor: Fred L. Cloe, as his sole and separate property
Grantee: Mary Joanne Cloe, as her sole and separate property
Legal Description: Lots 1 and 2 and the West 25 feet of Lot 3 of Block Two
of the FIRST ADDITION TO HILL CREST ACRE TRACTS
Additional legal description on page ____ of document

Reference No. of documents assigned or released: 130366

Additional reference on page ____ of document.

Assessor's Property Tax Parcel Account Number: 03-75-36-3-2-2100-00

THIS DEED OF TRUST, made this 16 day of May, 2002, between Fred L. Cloe, as Grantor, whose mailing address is P.O. Box 68, North Bonneville, WA 98639; Skamania County Title, Trustee, whose mailing address is P.O. Box 277, Stevenson, WA 98684; and Mary Joanne Cloe, as Beneficiary, whose mailing address is 3592 Payne Avenue, #2, San Jose, CA 95117-2929.

WITNESSETH:

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

Lots 1 and 2 and the West 25 feet of Lot 3 of Block Two of the FIRST ADDITION TO HILL CREST ACRE TRACTS, according to the official plat thereof on file and of record in the Office of the Auditor of Skamania County, Washington.

Subject to restrictive covenants set forth in agreement dated February 16, 1956, and recorded at Page 143 of Book 4 of Agreements and & Leases, records of Skamania County, Washington, relating to the

keeping of animals, cost of construction, and building limitations.

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 ways appertaining, and the rents, issues and profits thereof.

This Deed of Trust is to secure repayment from Grantor in the amount of FIFTY THOUSAND AND NO/100 DOLLARS (\$50,000.00), with interest in accordance with terms of a Promissory Note of even date herewith, payable to Beneficiary or order, and made by Grantor, and all renewals, modifications, and extensions thereof.

TO PROTECT THE SECURITY OF THIS DEED OF TRUST, GRANTOR COVENANTS AND AGREES:

1. To keep the property in good condition and repair 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 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 costs of title search and attorneys fees in a reasonable amount, in any such action or proceeding, and in any such action or proceeding, and in any suit brought by Beneficiary to foreclose this Deed of Trust.
4. 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 attorneys fees actually incurred, as provided by statute.
5. 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:

6. In the event any portion of the property is taken or damaged in any 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.

7. By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive his right to require prompt payment when due or all other sums so secured or to declare default for failure to so pay.
8. 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.
9. 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, 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 to: (a) to the expense of the sale; (b) to the obligation secured by this Deed of Trust; (c) 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.
10. Trustee shall deliver to the purchaser at the sale his 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 their 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 encumbrances for value.
11. 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.
12. As additional security hereunder, Grantor hereby assigns to Beneficiary the rents of the property, provided that Grantor shall, prior to acceleration under Paragraph 10 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 10 hereof or abandonment of the property, Beneficiary, in person, by agent or by officially 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 Beneficiary 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 attorneys fees, and then to the sums secured by this Deed of Trust. Beneficiary and the receiver shall be liable to account only for those rents actually received.

13. The Grantor acknowledges and he understands the loan secured by the aforescribed real property is personal to him and that his personal responsibility and occupancy and control of such real estate is a material inducement to the Beneficiary to enter into this loan. If the Grantor's interest in such real estate shall pass from Grantor by deed, assignment, lease with the option to purchase, or otherwise, or if such real estate is sold on executory contract, then such change in title or interest or occupancy shall be deemed to increase the risk or interest or occupancy shall be deemed to increase the risk to Beneficiary, and Beneficiary, or their heirs or assigns, may, after giving fifteen (15) days written notice to Grantor, declare the entire Promissory Note balance secured by this instrument due and payable at the expiration of said fifteen (15) day period. As an alternative to declaring the entire Promissory Note balance secured by this instrument due and payable at the expiration of said fifteen (15) day period, Beneficiary may, at Beneficiary's option, elect to raise the interest rate on the Promissory Note to the maximum interest rate allowable by law as a condition to Beneficiary's consent to any sale, assignment, or transfer of Grantor's interest or possession in the subject property or this Deed of Trust.
14. 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.
15. 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

DEED OF TRUST FOR
CLOE/CLOE

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note secured hereby, whether or not named as Beneficiary herein.

IN WITNESS WHEREOF, we have set our hands the day and year first above written.

GRANTOR

Fred L. Cloe
FRED L. CLOE

STATE OF WASHINGTON)
)ss.
COUNTY OF SKAMANIA)

I certify that I know or have satisfactory evidence that FRED L. CLOE, as his sole and separate property, is the person who appeared before me, and said person acknowledged that he signed this instrument and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in the instrument.

DATED this 10th day of May, 2002.

TERESA M. FARLEY
STATE OF WASHINGTON
NOTARY — • — PUBLIC
My Commission Expires Oct 21, 2002

Teresa M. Farley
NOTARY PUBLIC
My appointment expires: 10/21/02