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AFTER RECORDING RETURN TO:

Blair, Schaefer, Hutchison
Wolf

SEP 11 2003

Amazon

DEED OF TRUST

Grantor: John L. Price

Grantee (Trustee): Denise J. Lukins

Grantee (Beneficiary): Melissa Ann Carlson, fka Melissa Carlson-Price

Legal Description (abbreviated): Section 4, T1N, R6E

Assessor's Tax Parcel ID#: 01-06-04-0-0-0102-00

Reference No. of Document:

THIS DEED OF TRUST, made this 28 day of August, 2003, between JOHN

L. PRICE, Grantor, whose address is 1112 Indian Mary Road, Skamania, Washington 98648, and DENISE J. LUKINS, Attorney at Law, Trustee, BLAIR, SCHAEFER, HUTCHISON & WOLFE, L.L.P., 105 West Evergreen Blvd., Suite 200, P.O. Box 1148, Vancouver, WA 98666-1148, and MELISSA ANN CARLSON fka MELISSA CARLSON-PRICE, Beneficiary, whose address is 821 Indian Mary Rd., Skamania, WA 98648;

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

A one-half undivided interest in the real property described in attached Exhibit "A"

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

This conveyance is made in trust to secure the performance of each agreement of Grantor specified herein, and the payment of the amounts and performance of other obligations promised by Grantor in a Separation Agreement of equal date executed by Grantor and Beneficiary the terms of which are incorporated herein by reference, payable to the order of Beneficiary at such address as Beneficiary may designate to Grantor in writing. The aforesaid Separation Agreement

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is personal between the Grantor herein and the Beneficiary. The aforesaid Separation Agreement contemplates repayment of any payments made by Beneficiary on Grantor's behalf towards an existing Promissory Note made payable to Washington Mutual Bank, hereinafter referred to as the Primary Debt, which debt is secured by a deed of trust, hereinafter referred to as the First Lien, which encumbers the above described property, and which is held by Washington Mutual Bank, herein called First Lien Holder, and which was recorded on December 17, 2001, under file number 143223, Book 218, Page 377 in the records of the Auditor of Skamania County, Washington. The Wraparound Note also includes within its principal amount payments made by Beneficiary on Grantor's behalf towards an existing promissory note made payable to Washington Mutual Bank, hereinafter referred to as the Secondary Debt, which debt is secured by a deed of trust, hereinafter referred to as the Secondary Lien, which encumbers the above described property, which is held by Washington Mutual Bank herein called Second Lien Holder, and which was recorded on May 16, 2003, under file number 148784, Book 242, Page 754, in the records of the Auditor of Skamania County, Washington.

As used herein, Beneficiary shall mean Melissa Ann Carlson aka Melissa Carlson- Price.

It is stipulated and agreed that the lien of this Deed of Trust is secondary and inferior to the lien of the First Lien and Second Lien securing the Primary Debt and Secondary Debt above referred to.

TO PROTECT THE SECURITY OF THIS DEED OF TRUST THE GRANTOR AGREES THAT:

1. Grantor will pay directly to Beneficiary the installment payments required by the terms of the Separation Agreement and will not make any payment directly to the First or Second Lien Holder or request any release, partial release, amendment, or other modification of the Primary or Secondary Debt or First or Secondary Lien without the prior written consent of Beneficiary.
2. Upon receipt of such payment and from the proceeds thereof Beneficiary shall pay each and every installment of principal and interest on the Primary Debt and Secondary Debt as the same becomes due and payable.
3. In the event Beneficiary fails to make such payments on the Primary and Secondary Debt when due and payable, at Grantor's option Grantor may elect to:
 - (i) Make such payments and deduct such amounts from any amount accrued under the terms of the Separation Agreement; or
 - (ii) Continue to pay the full amount of the installments contemplated in the Settlement Agreement and, in the event Beneficiary fails to make such payment within thirty days of the due date, make written demand upon Beneficiary for

reimbursement of any such payments made by Grantor to Beneficiary.

4. If an event of default occurs in the First or Secondary Lien, Beneficiary and Grantor agree that upon receipt by either one of them of any notice of default given by the holder of the Primary or Secondary Debt pursuant thereto or pursuant to the First or Secondary Lien securing same, they shall immediately send to the other party a copy of same, and either party may, upon becoming aware of any event of default, perform any act required in any form or manner deemed expedient to cure such event of default.

5. Beneficiary shall have the right at any time to prepay the Primary or Secondary Debt, to the extent not prohibited or penalized by the Primary or Secondary Debt instrument.

6. Any proceeds of insurance policies required to be kept in force hereunder shall be payable to Beneficiary and to the holders of the Primary and Secondary Debts "as their interests may appear", and the parties agree that their interest in said policies or the proceeds thereof are inferior and subordinate to the interest of the holder of the Primary and Secondary Debt.

7. In the event that Grantor fails to pay the amounts due on the Wraparound Note, Beneficiary can add the unpaid amount to the principal balance owed, along with any interest or late fees incurred as a result of Grantor's failure to pay.

8. All buildings now or hereafter erected on the property which are under Grantor's possession and control shall be continuously insured against loss by fire or other hazards in an amount no less than their assessed value.

9. All hazard insurance policies shall be in such companies as the Beneficiary may approve.

10. Beneficiary, at Beneficiary's option, shall have the authority to act as the Grantor's agent to settle and adjust any loss under hazard insurance. At Beneficiary's option, Beneficiary may require that all insurance payments for such loss, over and above the reasonable expense, if any, of procuring the same, be applied to the extent necessary for the restoration of the improvements to their condition prior to the loss, or be applied to pay amounts accrued under the Separation Agreement and Primary or Secondary debt secured hereby.

11. In the event of foreclosure all rights of the Grantor in all insurance policies in force shall pass to the Beneficiary.

12. The buildings now on or hereafter erected on the premises that are under Grantor's possession and control shall be kept in good repair, not altered, extended, removed or demolished without written consent of the Beneficiary. Grantor shall comply with all laws, ordinances, regulations, covenants and restrictions which may affect the property.

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13. Grantor will pay when due any obligations incurred by him which are or may become a lien against the within described premises.

14. Grantor shall pay, on or before the dates due, all premiums to maintain insurance, taxes, assessments and other amounts required to be paid by Grantor according to the terms of the Separation Contract between Grantor and Beneficiary.

15. Any failure of Grantor to pay insurance premiums or taxes and assessments as called for by this Deed of Trust shall constitute an event of default.

16. At her sole option, Beneficiary may pay any delinquent taxes or assessments that Grantor is required to pay that are charged against the property, or pay any insurance premiums on the property required to be insured and paid by Grantor, and charge the costs thereof to Grantor, which costs shall be repaid to Beneficiary by Grantor as provided by the Separation Contract. An election by Beneficiary to take advantage of the options set forward in this Paragraph shall not constitute a waiver by Beneficiary of the defaults of Grantor which prompted the election, and Beneficiary shall be entitled to take all steps allowed by this Deed of Trust or the law to foreclose this Deed of Trust for such defaults.

17. It is understood that the amount secured by this Deed of Trust is personal to the Grantor or to any successor in interest approved by the Beneficiary and that the Grantor's personal responsibility and control of the real property encumbered by this Deed of Trust is a material inducement to the Beneficiary. If title to or control of the property shall pass from the Grantor or the successor in interest by deed or otherwise, or the property shall be sold on contract, irrespective of whether such change in title or control affects the risk of the Beneficiary, the Beneficiary may declare the unpaid balance immediately due and payable or, at Beneficiary's sole option, may consent to the change in title or control upon such terms and conditions as Beneficiary may require.

18. In case of default in the payment of any installment of the Settlement Agreement or a breach of any agreement herein, the entire debt hereby secured, at the option of the Beneficiary, shall become immediately due without notice and this Deed of Trust may be foreclosed in the manner herein provided or in any other manner provided by law as the Beneficiary may elect, subject only to such reinstatement rights as may be provided by law.

19. Upon bringing an action to foreclose this Deed of Trust, the Beneficiary at any time, without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security of the indebtedness hereby secured, may enter upon and take possession of the property or any part thereof and in Beneficiary's own name sue for or otherwise collect the rents, issues and profits, including those past due and unpaid, and apply the same less costs and expenses of operation and collection, including reasonable attorney's fees, to reduce the indebtedness secured hereby.

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20. The entering upon and taking possession of the property, the collection of rents, issues and profits, or the proceeds of fire and other insurance policies or compensations or awards for any taking or damage of the property, and the application or release thereof as aforesaid by Beneficiary shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

21. The Grantor will pay the cost of searching title and costs, disbursements and attorney's fees actually incurred in any suit which the Beneficiary defends or prosecutes to protect the lien hereof or to foreclose this Deed of Trust, which sums shall be secured hereby. Should this Deed of Trust be foreclosed non-judicially, repayment of all of said costs and fees shall be a condition precedent to reinstatement.

22. In the event any portion of the property is taken in condemnation proceedings, the amount of the award, after deduction of the reasonable costs of securing the award, shall be paid to Beneficiary to satisfy the obligations owed to the holders of the first and second notes and deeds of trust on the real property and the balance of the award shall be paid one-half to Grantor and one-half to Beneficiary, subject to any adjustments required by the terms of the Separation Contract.

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

IT IS MUTUALLY AGREED THAT:

24. After default and during such period of time prior to the time and date set by the trustee for the trustee's sale as may be prescribed by law, this Deed of Trust and the obligation secured hereby may be reinstated by the Grantor or other person then privileged by law to reinstate, in the manner prescribed by law.

25. The Trustee may postpone sale of all or any portion of said property by public announcement at the time and place of sale, and thereafter may further postpone the sale from time to time by public announcement at the time and place fixed by the preceding postponement, for periods of time and for a total period of time not exceeding that permitted by law.

26. Any person, including the Grantor or Beneficiary, may purchase at the sale unless prohibited by law. After deducting all costs, fees, and expenses of the Trustee and of this trust, including cost of title evidence and reasonable Trustee's and attorney's fees actually incurred in connection with sale to the extent permitted by law, the Trustee shall apply the proceeds of sale to the payment of all sums expended under the terms hereof not then repaid, and all then secured hereby, and the remainder, if any, to the person or persons legally entitled thereto.

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27. For any reason permitted by law, the Beneficiary may from time to time appoint a successor or successors to any Trustee named herein or to any successor Trustee appointed hereunder. Upon such appointment, and without conveyance to the successor Trustee, the latter shall be vested with all title, powers and duties conferred upon any Trustee herein named or appointed hereunder. Each such appointment and substitution shall be made by written instrument executed by the Beneficiary, containing reference to the Deed of Trust and its place of record, which, when recorded in the office of the Auditor of Skamania County, Washington, shall be conclusive proof of proper appointment of the successor Trustee.

28. The power of sales conferred by this Deed of Trust is not an exclusive remedy. Beneficiary may cause this Deed of Trust to be foreclosed as a mortgage.

29. The Trustee accepts this trust when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law. The Trustee is not obligated to notify any party hereof of a pending sale under any other deed of trust or of any action or proceeding in which the Grantor, Beneficiary or Trustee shall be a party unless such action or proceeding is brought by the Trustee.

30. This Deed of Trust applies to, inures to the benefit of and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns.



JOHN L. PRICE

STATE OF WASHINGTON)

COUNTY OF CLARK)

I certify that I know or have satisfactory evidence that JOHN L. PRICE signed this instrument and acknowledged it to be their free and voluntary act for the uses and purposes mentioned in the instrument.

DATED: 8/28/03



Notary Public

My Appointment Expires: 11-15-06

STEVEN N. BOGDON
NOTARY PUBLIC
STATE OF WASHINGTON
COMMISSION EXPIRES
NOVEMBER 15, 2006

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A tract of land located in Section 4, Township 1 North, Range 6 East of the Willamette Meridian, in the County of Skamania, State of Washington, described as follows:

Beginning at the Northeast corner of said Section 4; thence West along the North line of said Section 4 a distance of 1,500 feet to the true point of beginning of said tract; thence South along the East line of said tract a distance of 522.45 feet; thence South 73° 33' 00" West 250 feet; thence North 84° 18' 00" West 400 feet; thence North 66° 00' 00" West 345 feet, more or less, to the Westerly bank of a creek commonly known as Indian Mary Creek; thence Southerly along said Westerly bank to the mean high water line of Franz Lake; thence Westerly along said high water line to a point which is 1,700 feet West of the East line of said tract; thence North 300 feet, more or less, to the North line of said Section 4; thence East along the North line of said Section 4 a distance of 1,700 feet to the true point of beginning.

EXCEPT that portion lying North of the Southerly edge of the Burlington Northern Railroad Right of Way.

Exhibit A