

151344

BOOK 255 PAGE 60

AFTER RECORDING RETURN TO:

Impact Capital
401 Second Avenue South
Suite 301
Seattle, WA 98104

Attention: Angie McCarrel

FILED
DEC 2 1 35 PM '03
J. T. MOSE
SKAMANIA CO. TITLE

5672 25050

Copy Made
Original U-
Reference
Signed
Date

**DEED OF TRUST, ASSIGNMENT OF LEASES AND RENTS, SECURITY
AGREEMENT AND FIXTURE FILING**

(Impact Capital/Columbia Cascade Housing Corporation)
Program Action Number: 2003322

GRANTOR: COLUMBIA CASCADE HOUSING CORPORATION, an Oregon non-profit corporation

GRANTEE #1 (Trustee): SKAMANIA COUNTY TITLE COMPANY, a Washington corporation

GRANTEE #2 (Beneficiary): IMPACT CAPITAL, a Washington non-profit corporation

ABBREVIATED LEGAL DESCRIPTION: LOTS C-49 & C-50, BLK 10, THIRD ADD. TO PLATS OF RELOCATED NORTH BONNEVILLE Additional Legal(s) on Exhibit A

ASSESSOR'S TAX PARCEL ID NUMBER: 02-07-29-2-2-2600-00; 02-07-29-2-2-2700-00

REFERENCE NO: This Deed of Trust is in second lien position behind that certain Deed of Trust in favor of Beneficiary dated 12-2-2003 and recorded under File No. 151343, Records of Skamania County

THIS DEED OF TRUST, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING ("Deed of Trust") is made this day of November, 2003, among COLUMBIA CASCADE HOUSING CORPORATION, an Oregon non-profit corporation ("Grantor"), whose address is 312 Court Street, Suite 419, The Dalles, Oregon 97058; SKAMANIA COUNTY TITLE COMPANY, a Washington corporation ("Trustee"), whose address is P.O. Box 277, 41 Russell Street, Stevenson, Washington 98648; and IMPACT CAPITAL, a Washington non-profit corporation ("Beneficiary"), whose address is 401 Second Avenue South, Suite 301, Seattle WA 98104.

Grantor hereby grants, bargains, sells and conveys to Trustee, in trust, with power of sale, all Grantor's present and future right, title and interest in the real property located in Skamania County, Washington described in Exhibit A attached to this Deed of Trust (the "Land"), together with all easements, water and mineral rights, rights in any streets or alleys adjoining the Land, and other rights or interests appurtenant to the Land; all buildings, structures, and improvements at any time situated thereon; all facilities, fixtures, machinery, apparatus, installations, goods, furniture, equipment, inventory, and other properties (including without limitation all heating, ventilating, air conditioning, plumbing and electrical equipment, all elevators and escalators, all sprinkler systems, all engines and motors, all lighting, laundry, cleaning, fire prevention and fire extinguishing equipment, all ducts and compressors, all refrigerators, stoves, and other appliances, attached cabinets, partitions, rugs, carpets and draperies, all building materials and supplies, and all construction forms, tools, and equipment) now or hereafter located in or used or procured for use in connection with the Land; together with all contracts, agreements, permits, plans, specifications, drawings, surveys, engineering reports, and other work products relating to the construction of the existing or any future improvements on the Land, and any and all rights of Grantor in, to, or under any architects' contracts or construction contracts relating to the construction of the existing or any future improvements on the Property (as hereafter defined), and any performance and/or payment bonds issued in connection therewith; together with all trademarks, trade names, copyrights, computer software, and other intellectual property used by Grantor in connection with the Property, together with any and all rights of Grantor without limitation to make claim for, collect, receive, and receipt for any and all rents, income, revenues, issues, royalties, and profits, including mineral, oil, and gas rights and profits, insurance proceeds, condemnation awards, and other moneys payable or receivable from or on account of any of the Property, including interest thereon, or to enforce all other provisions of any agreement (including those referred to above) affecting or relating to any of the Property, together with any and all rights of Grantor in any and all accounts, rights to payment, contract rights, chattel paper, documents, instruments, licenses, contracts, agreements, and general intangibles relating to any of the Property, including, without limitation, income and profits derived from the operation of any business on the Property or attributable to services that occur or are provided on the Property

or generated from the use and operation of the Property and together with all books and records of Grantor relating to the foregoing in any form and all computer software necessary or useful to reading such books and records; all of Grantor's rights as landlord in and to all existing and future leases and tenancies of all or any portion of the Property, whether written or oral, and whether for a definite term or month to month or otherwise, including all renewals and extensions thereof and guaranties thereof, and all rents, deposits and other amounts received thereunder; and all books and records of Grantor relating to the foregoing (all of the foregoing rights and interests together with all proceeds of the foregoing being referred to herein as the "Property"). To the extent that the grant of a security interest in any part of the Property that is owned by Grantor as of the date hereof requires the consent of a third party, Grantor represents and warrants to Beneficiary that such consent has been obtained. To the extent that the grant of a security interest in any part of the Property that is acquired by Grantor subsequent to the date hereof (including, without limitation, plans and architectural drawings, permits, or construction contracts) requires the consent of a third party, Grantor will obtain such consent upon demand by Beneficiary.

IT IS MUTUALLY AGREED THAT:

1. Obligation Secured. This Deed of Trust is for the purpose of securing (a) performance of each agreement of Grantor herein contained; (b) payment of all amounts at any time owed under the terms of a promissory note dated September 24, 2002, as amended, in the principal amount of SEVENTY-FOUR THOUSAND NINE HUNDRED EIGHTY TWO DOLLARS (\$74,982) (the "Note"), made by Grantor, payable to Beneficiary or order, and all renewals, modifications and extensions thereof; and (c) repayment of any and all sums advanced or expenditures made by Beneficiary at any time for the maintenance or preservation of the Property or to protect the priority thereof, or to satisfy any obligation secured by a lien that is or may become senior to the lien hereof.

2. Security Agreement. To the extent any of the Property is personal property, Grantor, as debtor, grants to Beneficiary, as secured party, a security interest therein together with a security interest in all other personal property of whatsoever nature that is located on, used, or to be used in connection with any of the Property, and any products or proceeds of any thereof, pursuant to the Uniform Commercial Code of the state of Washington (the "UCC"), on the terms and conditions contained herein. Beneficiary hereby assigns such security interest to Trustee, in trust, for the benefit of Beneficiary to be dealt with as a portion of the "Property" except as otherwise specified herein. Grantor authorizes Beneficiary to file such Uniform Commercial Code Financing Statements listing Grantor as Debtor and Beneficiary as Secured Party as Beneficiary deems necessary or advisable to perfect the security interest herein granted.

3. Fixture Filing. This instrument shall be deemed to be a Fixture Filing within the meaning of the Washington Uniform Commercial Code to the extent any of the collateral described herein constitutes or will constitute fixtures. For such purpose, the name and address of Debtor and Secured Party, respectively, are the Grantor's and the Beneficiary's names and addresses, respectively, as specified in the introductory paragraph of this instrument. The description of the real estate to which the collateral is attached or upon which it is or will be located is as set forth on Exhibit A hereto. Grantor is the record owner of the real estate.

4. Warranty of Title. Grantor represents and warrants to Beneficiary that the Property is owned by Grantor and free and clear of all liens, charges and other encumbrances except for: (i) a deed of trust in favor of Beneficiary dated December 2, 2003 and recorded under File No. 151343, Records of Skamania County securing repayment of a loan in the amount of \$96,600 (the "First Deed of Trust"); (ii) those additional encumbrances listed on attached Exhibit B as being prior to the lien of the Deed of Trust (collectively, and together with the First Deed of Trust, the "Permitted Prior Encumbrances"); and (iii) those encumbrances listed on Exhibit C as being subordinate to the lien of the Deed of Trust (the "Permitted Subordinate Encumbrances").

5. Covenants of Grantor. Grantor covenants and agrees as follows:

(a) Grantor shall keep the Property in good condition and repair; shall permit no waste thereof; shall construct no improvements on the Property or allow such improvements to be constructed without Beneficiary's prior written consent, which Beneficiary may grant or withhold in its sole discretion, and in the event such consent is granted shall complete any such building, structure or improvement in accordance with the plans approved by Beneficiary; shall restore promptly and in a workmanlike manner any building, structure or improvement thereon that may at any time be damaged or destroyed; shall pay when due all claims for labor performed and materials supplied therefor; shall comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting the Property and the ownership, maintenance, operation and use thereof; and shall do all other acts that from the character or use of the Property may be reasonably necessary from time to time for the continued operation of the Property in a safe and legal manner.

(b) Grantor shall comply in all material respects with the terms of all easements, licenses, covenants and agreements relating to the Property and Grantor's uses thereof.

(c) Grantor shall pay before delinquency all taxes and assessments upon the Property.

(d) Grantor shall keep the Property free and clear of all charges, liens or encumbrances other than this Deed of Trust, the Permitted Prior Encumbrances, and the Permitted Subordinate Encumbrances. Grantor shall preserve and protect the priority of this Deed of Trust as a lien on the property, subject only to the First Deed of Trust and the other Permitted Prior Encumbrances. Grantor shall have the right to contest in good faith the validity of any lien or claim against the Property so long as the lien of this Deed of Trust is not jeopardized and if requested to do so by Beneficiary, Grantor posts a bond or other adequate security in an amount equal to one hundred twenty-five percent (125%) of the amount of the lien or claim being contested.

(e) At such time, if any, as improvements are constructed on the Property, Grantor shall keep all buildings now or hereafter erected on the Property continuously insured against loss by fire or other hazards pursuant to what is commonly referred to as "all-risk" coverage property insurance and otherwise as may be as required by Beneficiary from time to time in an amount not less than the total replacement value thereof and including a building upgrade and municipal ordinance endorsement. All such policies shall have a deductible not exceeding \$10,000, shall name Beneficiary as loss payee, subject only to the rights of the holder of any Prior Permitted Encumbrances, and shall contain a provision for 30 days' prior notice to Beneficiary before cancellation thereof. All policies shall be held by Beneficiary, and be issued by such companies as Beneficiary may approve in its discretion and have loss payable first to Beneficiary, as its interest may appear, subject only to the rights of the holder of any Prior Permitted Encumbrances, and then to Grantor. The amount collected under any insurance policy may be applied upon any indebtedness hereby secured in such order as Beneficiary shall determine. Such application by Beneficiary shall not cause discontinuance of any proceedings to foreclose this Deed of Trust. In the event of foreclosure, all rights of Grantor in insurance policies then in force shall pass to the purchaser at the foreclosure sale.

(f) Grantor shall maintain comprehensive general liability insurance covering the legal liability of Grantor against claims for bodily injury, personal injury, death, property damage or advertising injury occurring on, in, or about the Property with coverage of One Million Dollars (\$1,000,000) combined single limit, and naming Beneficiary as an additional insured.

(g) Grantor shall defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee, and shall pay all costs and expenses (including costs of title reports and policies and fees of attorneys,

paralegals, appraisers and environmental consultants retained by Beneficiary) in any such action or proceeding, and in any suit or other proceeding brought by Beneficiary to foreclose this Deed of Trust.

(h) Grantor shall take all actions necessary to preserve the existence and validity of all licenses, rights, permits, franchises, concessions and privileges necessary to any existing or contemplated use of the Property, including without limitation any zoning variances and nonconforming use permits.

(i) Grantor shall pay all costs, fees and expenses in connection with this Deed of Trust, including the expenses of the Trustee incurred in enforcing the obligations secured hereby and actually incurred by Beneficiary or Trustee.

(j) Grantor shall not enter into any lease affecting the Property (other than leases of individual apartment units, in the event the Property includes an apartment complex) without the prior written consent of Beneficiary, which Beneficiary may grant or deny in its sole discretion. In the event such consent is granted, Grantor shall perform and comply with all terms and conditions of all leases and rental agreements affecting the Property from time to time during the term hereof (the "Leases") and shall require the strict performance by all tenants of the obligations under such Leases. Grantor shall not receive or collect any rents from any present or future tenant of the Property more than one month in advance of their due date. Grantor shall provide Landlord at any time upon request with copies of any leases (including amendments thereto) of the Property and if requested by Beneficiary, estoppel certificates and subordination, attornment and nondisturbance agreements from tenants other than single family residential tenants.

(k) Grantor shall not permit the filing or recordation against the Property of any short plat, subdivision, binding site plan, condominium, lot line adjustment, or segregation or consolidation of tax parcels, or take any action that would alter or reconfigure any lot boundaries or create new lots or building sites within the Property, without the prior written consent of Beneficiary, which Beneficiary may grant or withhold in its sole discretion.

(l) Grantor shall comply with the provisions of the Prior and Subordinate Permitted Encumbrances, all agreements secured thereby, and any other loan, equity contribution or grant obtained in connection with the Property or its contemplated redevelopment.

6. Transfer or Encumbrance. If Grantor shall sell, assign or transfer the Property or any portion thereof or any interest therein, further encumber the Property or any portion thereof or permit any change in the entity, ownership, or control of Grantor,

in each case, without the prior written consent of Beneficiary, which Beneficiary may grant or deny in its sole and absolute discretion, such action shall constitute a material default hereunder and under the Note and shall entitle Beneficiary to exercise any and all of its remedies under the Note and any other documents or instruments evidencing or securing the indebtedness hereby secured, including, at Beneficiary's option, acceleration of the indebtedness hereby secured. Notwithstanding the foregoing, Grantor may transfer the Property to a limited partnership of which Grantor is the general partner, provided that in connection therewith, the Grantor and transferee shall execute an assumption agreement in form acceptable to Beneficiary. Grantor shall not be released from liability hereunder in connection with such transfer.

7. Inspection. Grantor shall permit Beneficiary or its agents at all reasonable times, to enter upon and inspect the Property.

8. Condemnation. 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 the indebtedness hereby secured.

9. No Waiver. 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.

10. Reconveyance. 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.

11. Events of Default. Any of the following shall constitute an "Event of Default" as that term is hereinafter used:

(a) Any representation or warranty made by or for the benefit of Grantor herein or elsewhere in connection with the loan secured hereby, including but not limited to any representations in connection with the security therefor, shall prove to have been incorrect or misleading in any material respect;

(b) Grantor or any other person or entity liable therefor shall fail to pay when due any indebtedness secured hereby;

(c) Grantor or any other signatory thereto shall default in the performance of any covenant or agreement contained in this Deed of Trust, the Note, or any other agreement executed in connection with the indebtedness secured hereby;

(d) Grantor or any other person or entity liable for the repayment of the indebtedness secured hereby shall become unable or admit in writing its inability to pay its debts as they mature, or file, or have filed against it, a voluntary or involuntary petition in bankruptcy, or make a general assignment for the benefit of creditors, or become the subject of any other receivership or insolvency proceeding;

(e) Grantor or any other signatory thereto shall default in the performance of any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect Grantor's property or ability to pay or perform Grantor's obligations under this Deed of Trust or under any covenant or agreement contained in any of the Prior or Subordinate Permitted Encumbrances or any agreement secured thereby; or

(f) A tax, charge, or lien shall be placed upon or measured by the Note, this Deed of Trust, or any obligation secured hereby that Grantor does not or may not legally pay in addition to the payment of all principal and interest as provided in the Note.

12. Beneficiary's Right to Perform. Upon the occurrence of any Event of Default hereunder, including without limitation Grantor's failure to pay when due any taxes, assessments, insurance premiums, liens, encumbrances or other charges against the Property, Beneficiary may, but shall not be obligated to, pay the same, and the amount so paid, with interest at the default interest 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. The payment of such sums by Beneficiary and addition of the amount thereof to the principal balance secured hereby shall not constitute a waiver of the default.

13. Remedies on Default. Upon the occurrence of any Event of Default all sums secured hereby shall become immediately due and payable, without notice or demand, at the option of Beneficiary and Beneficiary may:

(a) Have a receiver appointed as a matter of right, without regard to the sufficiency of the Property or any other security for the indebtedness secured hereby and, without the necessity of posting any bond or other security, such receiver shall take possession and control of the Property and shall collect and receive all of the rents, issues, and profits thereof;

- (b) Foreclose this Deed of Trust as a mortgage or otherwise realize upon the Property;
- (c) Cause Trustee to exercise its power of sale;
- (d) Sue on the Note according to law; or
- (e) To the extent permitted by law, including, without limitation, RCW 61.24.100, seek and obtain a deficiency judgment following the completion of a judicial foreclosure or a trustee's sale of all or a portion of the security for the obligations secured by this Deed of Trust.

The rights and remedies accorded by this Deed of Trust shall be in addition to, and not in substitution of, any rights or remedies available under applicable law. All remedies provided herein and under applicable law are cumulative and may be exercised concurrently or successively.

14. Application of Rents. Grantor hereby grants to Beneficiary the right and authority during the continuance of this Deed of Trust to collect the rents and profits of the Property, reserving to Grantor the right, prior to any default in payment of any indebtedness secured hereby to collect and retain such rents and profits as they become due and payable. Upon any such default, Grantor's right to spend or retain any rents or profits of the Property shall cease immediately and without notice or demand and Beneficiary may at any time and without notice, either in person, by agent, or by a receiver to be appointed by a court, without regard to the adequacy of any security for the indebtedness hereby secured and without the necessity for posting any bond or other security, enter upon and take possession of the Property or any part thereof, or in its own name sue for or otherwise collect such rents and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorneys' fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of the Property, the collection of such rents and profits and the application thereof as provided herein shall not cure or waive any default hereunder or invalidate any act done pursuant to such notice. Nothing in this Section shall be deemed to limit or impair Beneficiary's right to review and approve proposed leases of the Property pursuant to Section 5(j) above.

15. Trustee's Power of Sale. This procedure for exercise of the Trustee's power of sale shall be as follows: Upon written request therefor by Beneficiary specifying the nature of the default, or the nature of the several defaults, 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. With respect to any of the Property that may be personal property, Trustee shall have and exercise, at Beneficiary's sole election, all the rights and remedies of a secured party under the Uniform Commercial Code of Washington. Wherever notice is permitted or required hereunder or under the UCC, ten days shall be deemed reasonable. Trustee may postpone the sale of all or any portion of the Property as provided by statute. Trustee shall apply the proceeds of the sale as follows: (1) to the expense of the sale, including without limitation a reasonable Trustee's fee, attorneys' fees and title insurance costs; (2) to the obligation secured by this Deed of Trust; (3) the surplus, if any, shall be distributed to the persons entitled thereto as provided by applicable law. 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.

16. Successor Trustee. In the event of the death, incapacity, disability, or resignation of Trustee, or at Beneficiary's election, 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.

17. Successors. 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.

18. Commercial Purpose. The loan secured hereby is primarily for commercial, industrial or business purposes, and is not primarily for personal, family, or household purposes.

19. Non-Agricultural. The Property is not used principally or at all for agricultural or farming purposes.

20. Notices. All notices and reports required to be delivered to either of the parties hereunder shall be delivered by hand delivery, reputable overnight courier service, or certified mail, return receipt requested, to the following addresses:

If to Beneficiary: Impact Capital
401 Second Avenue South
Suite 301
Seattle, WA 98104
Attention: Angie McCarrel,
Senior Program Officer

If to Grantor: Columbia Cascade Housing Corporation
312 Court Street
Suite 419
The Dalles, Oregon 97058
Attention: Ruby Mason,
Executive Director

The address for notices may be changed from time by either party by written notice given in the manner provided herein. All notices given to Beneficiary by Grantor shall reference the applicable Program Action Number.

DATED as of the day and year first above written.

PLEASE BE ADVISED THAT ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, EXTEND CREDIT, OR FOREBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.

GRANTOR:

COLUMBIA CASCADE HOUSING
CORPORATION, an Oregon non-profit
corporation

By: [Signature] PRESIDENT
Name: SCOTT MCKAY
Its: PRESIDENT

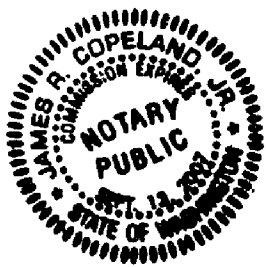
STATE OF WASHINGTON

SS.

COUNTY OF SKAMANIA

I certify that I know or have satisfactory evidence that Scott McKay is the person who appeared before me, and said person acknowledged that said person signed this instrument, on oath stated that said person was authorized to execute the instrument and acknowledged it as the President of COLUMBIA CASCADE HOUSING CORPORATION, an Oregon non-profit corporation, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated this 26 day of November, 2003.



[Signature]
(Signature of Notary)

James R. Copeland, Jr.
(Legibly Print or Stamp Name of Notary)

Notary public in and for the state of Washington, residing at Sevenson

My appointment expires 9-13-07

EXHIBIT A

The land is located in the county of Skamania, state of Washington, and is described as follows:

LOTS C-49 AND C-50, THIRD (3RD) ADDITION TO PLATS OF THE RELOCATED TOWN OF NORTH BONNEVILLE, BLOCK 10, RECORDED IN BOOK 'B' OF PLATS, PAGE 34 AND 35, UNDER SKAMANIA COUNTY FILE NO. 85402, RECORDS OF SKAMANIA COUNTY, WASHINGTON.

Exhibit A

**EXHIBIT B
PRIOR PERMITTED ENCUMBRANCES**

The Property described on Exhibit A is subject to the following encumbrances which are prior to the lien of this Deed of Trust:

EXHIBIT C
PERMITTED SUBORDINATE ENCUMBRANCES

The Property described on Exhibit A is subject to the following encumbrances which are subordinate to the lien of this Deed of Trust:

NONE