

When Recorded Return To:

Agency: Klickitat-Skamania Development Council
Address: P.O. Box 1580
White Salmon, WA 98672

Attention: Ken Bergin, HRRP

DEED OF TRUST

Grantor (Borrower): George A. and Robin L. Sams (husband and wife)

Grantee (Lender): Klickitat-Skamania Development Council

Grantee (Trustee):

Legal Description (abbreviated): A tract of land located in the Southeast Quarter of the Southeast Quarter of Section 27, Township 2 North, Range 6 East of the Willamette Meridian, in the County of Skamania, State of Washington, more accurately described as follows:

Beginning at the Southeast corner of said Section 27, thence West 16 rods and 20 links; thence N 12 degree East 16 rods; thence East to the East line of said Section 27; thence South to the point of beginning.

Assessor's Tax Parcel ID#: 02-06-27-4-0-0500-00

THIS DEED OF TRUST is made this 22 day of July, 2004
between George A. and Robin L. Sams, whose mailing address is 22 Leslie Lane,
Skamania, WA 98648-6054, as Grantor ("Grantor"); Klickitat-Skamania Development Council,
whose mailing address is P.O. Box 1580, White Salmon, WA 98672, as Trustee ("Trustee"); and
N/A, whose mailing address is N/A, as Beneficiary ("Beneficiary").

1. Grant. Grantor hereby bargains, sells and conveys to Trustee in Trust for the benefit of Beneficiary, with power of sale the real property located in Skamania County, Washington, described as:

A tract of land located in the Southeast Quarter of the Southeast Quarter of Section 27, Township 2 North, Range 6 East of the Willamette Meridian, in the County of Skamania, State of Washington, more accurately described as follows:
Beginning at the Southeast corner of said Section 27, thence West 16 rods and 20 links; thence N 12 degree East 16 rods; thence East to the East line of said Section 27; thence South to the point of beginning.

Assessor's Tax Parcel ID#: 02-06-27-4-0-0500-00

according to the plat thereof, recorded in Skamania County, Washington, (the "Property") together with all tenements, privileges, reversions, remainders, irrigation and water rights and stock, oil and gas rights, royalties, minerals and mineral rights, hereditaments and appurtenances belonging or in any way pertaining to the Property, and the rents issues and profits thereof. Said Property is not used principally, or at all, for agricultural or farming purposes.

2. Obligations Secured. This deed is given for the purpose of securing payment of a loan (the "Loan") in the amount of Eight thousand, Six hundred Forty-nine and 55/100 Dollars (\$ 8,649.55) payable by the Grantor to the Beneficiary pursuant to Minor Home Repair Program (MHRP) Loan Number Job 849-Sams between Grantor and Beneficiary, as now or hereafter amended, securing performance of each term and condition of said Loan.

2.1 Payments

2.1(A) Deferral

Provided that the Grantor complies with the terms of the Deed of Trust securing this obligation, the amount due and payable under this Deed of Trust shall be deferred until one of the following events take place:

- (1) The property is sold or transferred to a third party, this would include transfer as a result of death or divorce;
- (2) Grantor no longer occupies the property as their principal residence;
- (3) Grantor rents the property for any reason; or
- (4) At the Lender's option, if the Grantor refinances the property.

Repayment of the Loan principal only will be due upon sale, change of ownership, change of use, or, at the Lender's option, refinance.

2.1(B) Repayments

Repayments shall be made to the Lender and deposited to the Lender's HOME Investment Trust Account.

2.1(C) Transfer of the Property; Assumption

The Lender may, at the Lender's option, release the Grantor from all obligations under this Deed of Trust and the Note if, prior to the sale or transfer of the Property, the Lender and the person to whom the Property is to be sold or transferred agree in writing that such person is eligible to assume such obligations, based upon the policies of the Minor Home Repair Program under which this Loan was secured, and if the Grantor's successor in interest has executed a written assumption agreement accepted in writing by the Lender.

3. Protection of Security. To protect the security of this Deed of Trust, Grantor covenants and agrees:

3.1. To keep the Property in good condition and repair; to permit no waste thereof; to complete any building, structure or improvement thereon which may be damaged or destroyed; and to comply with all laws, ordinances, conditions and restrictions affecting the property.

3.2. 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.

3.3. To keep all buildings now or hereafter on the Property continuously insured against loss by fire or other hazards in an amount not less than the replacement cost of the Property. 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, and subject to the rights of the Beneficiary or beneficiaries of any senior deed of trust, all rights of Grantor in insurance policies then in force shall pass to the purchaser at the foreclosure sale.

3.4. 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 attorney's fees in a reasonable amount, in any such proceeding, and in any suit brought by Beneficiary to foreclose this Deed of Trust.

3.5. 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 attorney's fees actually incurred, as provided by statute.

3.6. 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 shall be added to and become a part of the debt secured by this Deed of Trust.

4. General Conditions. The parties hereto agree that:

4.1. 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 this obligation secured hereby, shall be paid to Beneficiary to be applied to said obligation.

4.2. 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.

4.3. 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 obligations secured and written request for reconveyance made by the Beneficiary or the person entitled thereto.

4.4. Power of Sale. Pursuant to Chapter 61.24 of the Revised Codes of Washington and upon default by Grantor without timely cure and after written notice of thirty (30) days 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. In such event and upon written notice of Beneficiary, the property shall be sold, in accordance with the Deed of Trust Act of the State of Washington, at public auction to the highest bidder. Any person may bid at the Trustee's sale. Subject to the rights of the beneficiary or beneficiaries of any senior deed of trust, the proceeds of the sale shall be applied 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 person or persons entitled thereto.

4.5. A 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 the 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 a bona fide purchaser for value.

4.6. 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.

4.7. Beneficiary may at any time appoint or discharge the Trustee.

4.8. This Deed of Trust applies to, inures to the benefit of, and binds all parties hereto and their successors and assigns. The terms "Grantor," "Trustee," and "Beneficiary" include their successors and assigns.

Loan amount is approximation based upon contractor bids and best reasonable estimation of costs to perform completion of Home repair to meet State, HUD, and local building codes. Amount will be adjusted to actual costs documented by invoicing at completion of project.

KSDC Job number has been assigned for tracking. HRRP Project # 3559.

Deed of Trust has been amended to final copy to reflect final costs and State HRRP tracking number, to be recorded in Skamania County Office of Records.

DOC # 2004154213
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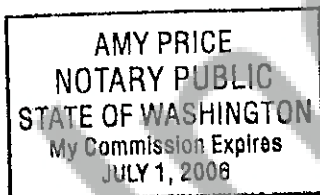
WITNESS the hand and seal of the Grantor on the day and year first above written.

By: George Sams
Print Name: George Sams

STATE OF WASHINGTON)
COUNTY OF Skamania) ss.

I certify that I know or have satisfactory evidence that George Sams is the person who appeared before me and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it to be the free and voluntary action of such party for the uses and purposes mentioned in the instrument.

DATED: August 9, 2004



Notary Public
My appointment expires:

Amy Price
July 1, 2006

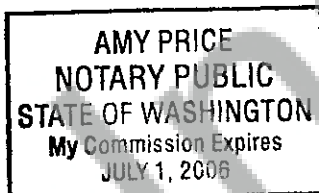
WITNESS the hand and seal of the Grantor on the day and year first above written.

By: Robin Sams
Print Name: Robin Sams

STATE OF WASHINGTON)
) ss.
COUNTY OF Skamania)

I certify that I know or have satisfactory evidence that Robin Sams is the person who appeared before me and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it to be the free and voluntary action of such party for the uses and purposes mentioned in the instrument.

DATED: August 9, 2004



Notary Public
My appointment expires:

Amy Price
July 1, 2006