

AFTER RECORDING RETURN TO:

David W. Meyer
Bullivant Houser Bailey PC
805 Broadway Street, Suite 400
Vancouver, WA 98660-3310
(360) 693-2424

DEED OF TRUST

Grantors: ROBERT G. WARRICK & MARGARETE I. WARRICK, Husband & Wife

Beneficiaries: JOHN H. LORING, DANIEL E. LORING & STEVEN LORING

Abbreviated Legal: L1 MEL E. STEWART SP B2 P109

Full Legal Description on Pages: 1 and 2

Related Documents: 103448 & 128128

Assessor's Tax Parcel No.: 03-07-25-2-0-0106-00

THIS DEED OF TRUST, made this 3 day of September, 2004, between ROBERT G. WARRICK and MARGARETE I. WARRICK, husband and wife, ("Grantors"), whose address is P.O. Box 283, Stevenson, WA 98648; First American Title Insurance Company ("Trustee"); whose address is 43 Russell Street, Stevenson, WA 98648, and JOHN H. LORING, DANIEL E. LORING, and STEVEN LORING ("Beneficiaries"), whose address is c/o David W. Meyer, Attorney at Law, 805 Broadway Street, Suite 400, Vancouver, WA 98660..

WITNESSETH: Grantors hereby bargain, sell and convey to Trustee in Trust, with power of sale, the following described real property in Skamania County, Washington:

A parcel of land in the Southeast Quarter of the Northwest Quarter of Section 25, Township 3 North, Range 7 East of the Willamette Meridian, described as Lot 1 of the Mel E. Stewart Short Plat as recorded in Book 2 of Short Plats on Page 109, records of Skamania County, Washington,

Also, a a parcel described as the South 595 feet of the Southeast Quarter of the Southeast Quarter of the Northwest Quarter in Section 25, Township 3 North, Range 7 East of the Willamette Meridian in the

County of Skamania and State of Washington lying easterly of the East line of Loop Road.

Excepting therefrom the following:

A. Lot 1 of the Mel E. Stewart Short Plat, recorded in Book 2 of Plats, Page 109, Skamania County Short Plan Records.

B. That portion lying Easterly of the center line of Kanaka Creek.

Together with an easement for ingress and egress connecting said lot with Loop Road as shown on said short plat,

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

This deed is for the purpose of securing performance of each agreement of grantors herein contained, and payment of the sum of Eighty Thousand and 00/Dollars (\$80,000.00), with interest, in accordance with the terms of a Promissory Note of even date herewith, payable to Beneficiaries or order, and made by Grantors, and all renewals, modifications and extensions thereof.

To protect the security of this Deed of Trust, Grantors covenant and agree:

1. To keep the property in good condition and repair; to permit no waste thereon 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; and to keep the property free and clear of all other charges, liens or encumbrances. Grantors may not sell or transfer the property or any portion thereof, voluntarily or involuntarily, without Beneficiaries' written consent. No building or other improvement on the property shall be structurally altered, removed or demolished without the Beneficiaries' prior written consent, nor shall any fixture or chattel covered by this Deed of Trust and adapted to the proper use and enjoyment of the property be removed at any time without like consent unless actually replaced by an article of equal suitability, owned by the Grantors free and clear of any lien or security interest except such as may be approved in writing by the Beneficiaries.

3. To keep all buildings now or hereafter erected on the property described herein continuously insured against loss by fire or other hazards in an amount of One Hundred Percent (100%) of the replacement value of the existing and future improvements to the property. All policies shall be in such companies as the Beneficiaries may approve and have loss payable first to the Beneficiaries, as their interest may appear, and then to the Grantors. The amount collected under any insurance policy may be applied upon any indebtedness hereby secured in such order as the Beneficiaries shall determine. In the event of foreclosure, all rights of the Grantors in insurance policies then in force shall pass to the purchaser at the foreclosure sale.

4. To defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiaries 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 action or proceeding, and in any suit brought by Beneficiaries to foreclose this Deed of Trust.

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.

6. Should Grantors fail to pay when due any taxes, assessments, insurance premiums, liens, encumbrances or other charges against the property hereinabove described, Beneficiaries may pay the same, and the amount so paid, with interest at the default rate stated in the Note, and shall be added to and become a part of the debt secured in this Deed of Trust.

IT IS MUTUALLY AGREED THAT:

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 the obligation secured hereby, shall be paid to Beneficiaries to be applied to said obligation.

2. By accepting payment of any sum secured hereby after its due date, Beneficiaries do not waive their right to require prompt payment when due of all other sums so secured or to declare default for failure to so pay.

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 Grantors and the Beneficiaries, or upon satisfaction of the obligation secured and written request for reconveyance made by the Beneficiaries or the person entitled thereto.

4. Upon default by Grantors 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 Beneficiaries. In such event and upon written request of Beneficiaries, 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 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 persons entitled thereto.

5. 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 Grantors had or had the power to convey at the time of his 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* purchaser and encumbrances for value.

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; Beneficiaries may cause this Deed of Trust to be foreclosed as a mortgage or pursue any other remedy available under Washington State law.

7. In the event of the death, incapacity, disability or resignation of Trustee, Beneficiaries 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 Grantors, Trustee or Beneficiaries shall be a party unless such action or proceeding is brought by the Trustee.

8. This Deed of Trust 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 "Beneficiaries" shall mean the holder and owner of the Note secured hereby, whether or not named as Beneficiaries herein.

9. Grantors agree to reimburse Beneficiaries for all costs, expenses, and reasonable attorneys' fees that Beneficiaries incur in connection with the realization or enforcement of any obligation or remedy contained in the Note, this Deed of Trust or other related documents, with or without litigation, including without limitation any costs, expenses, and fees incurred: (a) in any foreclosure, trustee's sale or deed in lieu of foreclosure or trustee's sale; (b) on appeal; (c) in any petition for review; (d) in any arbitration or mediation; (e) in any action contesting or seeking to restrain, enjoin, stay, or postpone the exercise of any remedy in which Beneficiaries prevail; (f) in any bankruptcy, probate, receivership or other proceeding involving Grantors; and (g) in connection with all negotiations, documentation, and other actions relating to any work-out, compromise, settlement or satisfaction of the debt secured hereby or settlement of any debt secured by this Deed of Trust or which is evidenced by the Note or related documents. All such costs, expenses, and fees shall be due and payable upon demand, shall bear interest from the date incurred through the date of collection at the default rate stated in the Note and shall be secured by this Deed of Trust.

DATED this 3rd day of SEPTEMBER, 2004.

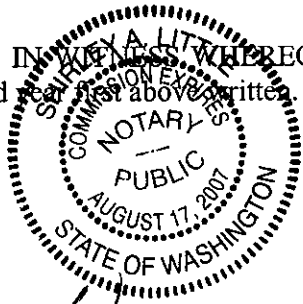
R. G. Warrick
ROBERT G. WARRICK, Grantor

Margarete I. Warrick
MARGARETE I. WARRICK, Grantor

STATE OF Washington)
County of Skamania : ss.

On this 3rd day of September, 2004, before me personally appeared ROBERT G. WARRICK, and acknowledged this instrument to be his free and voluntary act and deed for the uses and purposes herein mentioned on oath.

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

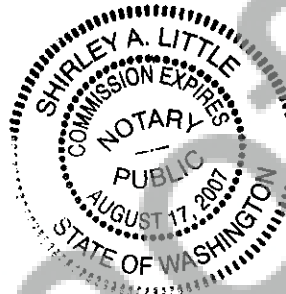


Shirley A. Little
Notary Public in and for the State of Washington
Residing at: Stevenson
My Commission Expires: 8-17-07

STATE OF Washington)
County of Stamania : ss.

On this 3rd day of September, 2004, before me personally appeared MARGARETE I. WARRICK, and acknowledged this instrument to be her free and voluntary act and deed for the uses and purposes herein mentioned on oath.

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



Shirley A. Little
Notary Public in and for the State of Washington
Residing at: Stevenson
My Commission Expires: 8-02-07

REQUEST FOR FULL RECONVEYANCE

Do not record. To be used only when note has been paid.

TO: TRUSTEE

The undersigned is the payee on the Promissory note referred to in the within Deed of Trust. Said amount due under the Promissory Note, together with all other indebtedness secured by said Deed of Trust, has been fully paid and satisfied, and you are hereby requested and directed, on payment to you of any sums owing to you under the terms of said Deed of Trust, to cancel said Note above mentioned, and all other evidences of indebtedness secured by said Deed of Trust delivered to you herewith, together with the said Deed of Trust, and to reconvey, without warranty, to the parties designated by the terms of said Deed of Trust, all the estate now held by you thereunder.

Dated: _____,

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