

After Recording Mail To:

Machelle Jones

17308 NE 29th Street
Vancouver, WA 98682

DEED OF TRUST

1. misc
Grantor(s) (Borrower): CHARLES A. CUNNINGHAM
KATHLEEN L. CUNNINGHAM
2. Grantee & Trustee: Chicago Title Insurance Company
3. Grantee (Lender) & Beneficiary: MACHELLE JONES
4. Abbreviated Legal Description: Section 15
Additional Legal(s) on Page: Exhibit A Full legal pg 7
5. Assessor's Tax Parcel Id#: 01050610080000 &
01050610090000
6. Reference Nos. of Documents Released or Assigned: n/a
7. Amount \$270,000.00
8. Effective Date: November 30th, 2004

THIS DEED OF TRUST, made on the Effective Date above stated, between CHARLES A. CUNNINGHAM and KATHLEEN L. CUNNINGHAM, husband and wife, as GRANTOR, whose address is 31 Sportsman Road, Washougal, WA 98671, Chicago Title Insurance Company, as TRUSTEE, of 1111 Main Street, Vancouver, WA 98660, and MACHELLE JONES, as BENEFICIARY, whose address is 17308 NE 29th St
Van WA 98682.

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

(Legal Attached as Exhibit A)

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 Grantor herein contained, and payment of the sum of \$270,000.00, with interest of as contained in Note/Contract from the Effective Date set forth above, in accordance with the 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, and also such further sums as may be advanced or loaned by Beneficiary to Grantor, or any of their successors or assigns, together with interest thereon at such rate as shall be agreed upon.

To protect the security of this Deed of Trust, Grantor covenants and agrees:

1. To keep the property in good condition and repair; to permit no waste thereof; to complete any building, structure or improvement being built or about to be built thereon; to restore promptly any building, structure or improvement thereon which may be damaged or destroyed; and to comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting the property.
2. To not further encumber or mortgage the subject property or transfer, assign, sell, lease, or sublease the subject property without the written consent of the Beneficiaries.
3. 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.
4. 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 not less than the total debt secured by this Deed of Trust. All policies shall be held by the Beneficiary, and be in such companies as the Beneficiary may approve and have loss payable first to the Beneficiary, as its interest may appear, and then to the Grantor. 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, all rights of the Grantor in insurance policies then in force shall pass to the purchaser at the foreclosure sale.
5. 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

action, foreclosure or proceeding, whether judicial or non-judicial, and in any suit brought by Beneficiary to foreclose this Deed of Trust.

6. 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 and as required by this paragraph.

7. 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.

8. Grantor is not in violation of any law (including international treaty, convention, or compact, or any federal, state, or local compact, constitution, charter, statute, ordinance, administrative decision, rule, regulation, and like legislative or administrative action) or order (including any judgment, order, writ, injunction, decree, or like judicial decision of any court or governmental department, commission, board, bureau or agency). The consummation and performance of the transaction contemplated by this document will not result in a breach of any contract or the violation of any law or order applicable to the Grantor or the collateral. Grantor promises and agrees to promptly and fully comply with all laws and orders relating to the release, generation, transportation, storage, disposal, removal, reduction, and remediation of hazardous substances (including petroleum and natural gas products, polychlorinated biphenyls, and asbestos-containing materials) at, on, over, under, or in proximity to the real property, including without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Superfund Amendments and Reauthorization Act of 1986, the Resource Conservation and Recovery Act of 1976, the National Environmental Policy Act, the Clean Air Act, the Clean Water Act, the Toxic Substances Control Act, and/or the Safe Water Drinking Act.

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 Beneficiary to be applied to said obligation.

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.

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

4. 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 as follows: (1) to the expense of the sale, including 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 Grantor had or had the power to convey at the time of their execution of this Deed of Trust, and such as they 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 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 encumbrancer 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; Beneficiary may cause this Deed of Trust to be foreclosed as a mortgage.

7. 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.

8. Any notices to be given to Grantor by Beneficiary hereunder shall be sufficient if mailed postage prepaid, to the address of the property above described; or to such other address as Grantor has requested in writing to the Beneficiary, that such notices be sent. Any time period provided in the giving of any notice hereunder, shall commence upon the date such notice is deposited in the mail.

9. 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. Grantor authorizes

beneficiary to complete the summary information on the first page of this document that may be required for recording, if the information is not known or is incomplete at the time of execution hereof.


10. Each of the undersigned agrees and acknowledges that oral agreements or oral commitments to loan money, extend credit, or to forbear from enforcing repayment of a debt are not enforceable under Washington Law. Each of the undersigned hereby further agrees and understands that it has received valuable consideration under this Deed of Trust, and that each signs this document (and all associated loan documents, including any Note and/or associated contract) as maker and not as a surety, and that any and all suretyship defenses are hereby waived by each of the undersigned.

11. If the title to the Property or any portion thereof is conveyed to any person, the Beneficiary may, at its option, following any required notice, declare the entire remaining balance of the secured sum owing and all accrued and unpaid interest thereon immediately due and payable, effective as of the date of the transfer. For the purposes of this document, a "conveyance" of the "Grantor's title" shall include a transfer by real estate contract, vendee's assignment, deed (of any form), forfeiture, foreclosure, sheriff's sale, trustee's sale, deed in lieu of any such involuntary sale, lease with purchase option or for a term in excess of two (2) years (including extension options), and, if the Grantor is a corporation, limited liability company, or partnership, a voluntary or involuntary transfer of any share or partnership or corporate interest which results in a change of fifty percent (50%) or more of the voting control of such entity (from the composition thereof as of the date of this Contract). A "conveyance" of the "Grantor's title" shall not include (i) a lease or other transfer of possession of the Property for two (2) years or less without options to purchase the Property or any interest therein; (ii) a transfer to the Grantor's spouse or children; (iii) a transfer by devise, descent, or operation of law resulting from the death of any person comprising the Grantor; (iv) a transfer into an inter vivos trust in which the Grantor is and remains a beneficiary and which does not relate to a transfer of rights of occupancy in the Property; or (v) a transfer resulting from a decree of dissolution of marriage, legal separation agreement, or property settlement agreement in which a spouse of any person comprising the Grantor retains or acquires the Property. No transfer of the Property or any portion thereof shall release the transferring person from liability on this Contract unless such release is expressly acknowledged and agreed to by the Beneficiary in writing.

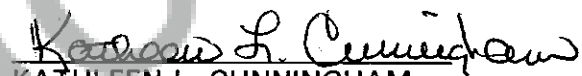
12. Grantor, upon any event of default, immediately and pursuant to this document assigns the rents accruing from the above-described property, pursuant to any lease of such property, to Beneficiary. This assignment is made for the purpose of paying any amount in default pursuant to this Deed of Trust (and/or the associated Note), including interest, principal, taxes, assessments, insurance, and for the further purpose of keeping the premises in good repair and condition. Grantor authorizes Beneficiary, through Beneficiary's agents or attorneys, to collect the rents in the name of Grantor or otherwise, as Beneficiary deems best, and further authorizes Beneficiary to bring suit for recovery of the rents, and to commence proceedings to evict any of the tenants on the

premises for nonpayment of the rents or pursue any other legal remedies that Beneficiary deems proper. After the rents are applied as set forth above, the residue, if any, after payment of costs of collection, shall after 60 days from receipt of same be then credited to Grantor's account by Beneficiary, if all defaults have by such time been cured. This assignment is made without prejudice to Beneficiary's rights, pursuant to this Deed of Trust, to commence proceedings for foreclosure (either judicial, non-judicial, or otherwise).

Dated this 30th day of December, 2004.


CHARLES A. CUNNINGHAM
31 Sportsman Road
Washougal, WA 98671

Dated this 30th day of December, 2004.


KATHLEEN L. CUNNINGHAM
31 Sportsman Road
Washougal, WA 98671

Oregon
STATE OF ~~WASHINGTON~~)
: ss.
County of ~~CLATSOP~~ Multnomah

I certify that I know or have satisfactory evidence that CHARLES A. CUNNINGHAM and KATHLEEN L. CUNNINGHAM, husband and wife, are the person(s) who appeared before me, and said person(s) acknowledged that they signed this instrument and acknowledged it to be their free and voluntary act for the uses and purposes mentioned in the instrument.

DATED: December 30th, 2004.




NOTARY PUBLIC
Residing at Vancouver.
My Appointment Expires: 2/2/08

EXHIBIT "A"

PARCEL 1

That portion of the North Half of the Northeast Quarter of Section 6, Township 1 North, Range 5 East of the Willamette Meridian, more particularly described as follows:

BEGINNING at a point on the center line of the State Highway at the low water mark on the East bank of the Washougal River, which point is South 89°31' West 857.5 feet and South 8°34' West 122.77 feet from the Northeast corner of said Section 6; thence South 251.160 feet and West 49.39 feet to the initial point of the tract herein described and which point is marked by an iron bar; thence North 77°07' West 93.81 feet; thence North 2°34' East 204.95 feet to the low water line of said Washougal River; thence North 79°04' East 105.59 feet along said low water line to the Westerly right of way line of the State Highway; thence South 8°23' West along said right of way line 102.34 feet; thence South 2°34' West 144.60 feet to the initial point of the tract herein described.