

RETURN ADDRESS:

STEWART TITLE COMPANY

303 E. 16th Street

Vancouver, WA 98663

Escrow Number: 131843RM

SCR 27602
Document Title(s):

Deed of Trust

Reference Number(s) of related documents:

Additional Reference #'s on page

Grantor(s) (Last, First and Middle Initial)

Chinidere, LLC

Additional grantors on page

Grantee(s): (Last, First and Middle Initial)

I Q CREDIT UNION

Trustee: Stewart Title

Additional grantees on page * 3

Legal Description: (abbreviated form: i.e. lot, block, plat or section, township, range, quarter/quarter)

SW 1/4 Sec 36, T3N, R7E

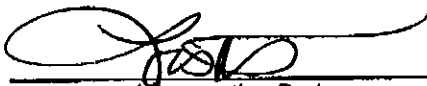
Additional Legal is on page * 11

Assessor's Property Tax Parcel / Account Number:

03-75-36-3-0-0500-00

Additional parcel #'s on page *

I am requesting an emergency nonstandard recording for an additional fee as provided in RCW 36.18.010. I understand that the recording processing requirements may cover up or otherwise obscure some part of the text of the original document.

A handwritten signature in black ink, appearing to be "J. D. [unclear]", written over a horizontal line.

Signature of Requesting Party

Unofficial Copy

WHEN RECORDED RETURN TO:

Mr. Kim C. Epskamp

IQ Credit Union

P.O. Box 1739

Vancouver, WA 98668-1739

Scr 27602

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

Grantor: Chinidere, LLC

Grantee: IQ Credit Union

Trustee: *Stewart T. He*

Abbreviated Legal

Description:

page 8
SW 1/4 Section 36, T3N, R7 1/2 E

Assessor's Property Tax

Parcel Account Number(s): 03-75-36-3-0-0500-00

Reference Numbers of

Documents Assigned or Released:

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

This DEED OF TRUST, ASSIGNMENT OF RENTS AND LEASES, SECURITY AGREEMENT AND FIXTURE FILING (this "Deed of Trust") is made as of February 23, 2005, by **Chinidere, LLC**, a Washington limited liability company, with an address of **6906 NE 139th Street, Vancouver, Washington 98686** (the "Grantor"), in favor of IQ Credit Union, a credit union with an address of 305 NE 81st Street, Vancouver, Washington 98665 (the "Grantee").

For purposes of the provisions of this Deed of Trust related to the creation and enforcement of this security instrument as a Deed of Trust, Grantor, as grantor, hereby conveys to Stewart Title, with an address of 201 NE Park Plaza Dr., Suite 105, Vancouver, Washington 98684 (the "Trustee"), in trust and with power of sale, for the benefit of Bank, as Grantee, the security and interests described in Sections 1.1 and 1.2 below.

The real property which is the subject matter of this Deed of Trust has the following address(es): **Lutheran Church Road at Hwy 14, Steveson, Washington 98648** (the "Address(es)").

1. DEED OF TRUST, OBLIGATIONS AND FUTURE ADVANCES

1.1 Deed of Trust. For valuable consideration paid and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Grantor hereby irrevocably and unconditionally mortgages, grants, bargains, transfers, sells, conveys, sets over and assigns to the Trustee and its successors and assigns, IN TRUST, for the benefit and security of the Grantee forever, WITH POWER OF SALE AND RIGHT OF ENTRY AND POSSESSION, the "Property" described below, to secure the prompt payment and performance of the Obligations (as herein defined), including without limitation, all amounts due and owing to the Grantee and all obligations respecting that certain Time Note, dated February 23, 2005, by **Chinidere, LLC** in favor of the Grantee in the original principal amount of **\$200,000.00** (the "Note"; and collectively, along with all other agreements, documents, certificates and instruments delivered in connection therewith, the "Loan Documents"), and any substitutions, modifications, extensions or amendments to any of the Loan Documents.

The amount of principal obligations outstanding and evidenced by the Loan Documents and secured by this Deed of Trust total **\$200,000.00** as of the date of this Deed of Trust (the "Amount"), but this Deed of Trust shall nevertheless secure payment and performance of all Obligations including, without limitation, any other liabilities and future advances, direct or indirect, absolute or contingent, now existing or hereafter arising from Grantor to Grantee.

1.2 Security Interest in Property. Grantor does hereby irrevocably convey to Trustee, in trust and with power of sale, for the benefit of the Grantee, and does hereby mortgage, grant, bargain, sell, pledge, assign, warrant, transfer and convey to the Grantee, and grant a security interest to the Grantee in, the Property (as hereinafter defined). This Deed of Trust is and shall be deemed to be a security agreement and financing statement pursuant to the terms of the Uniform Commercial Code of Washington (the "Uniform Commercial Code") as to any and all personal property and fixtures and as to all such property the Trustee and its successors and assigns, IN TRUST, for the benefit and security of the Grantee shall have the rights and remedies of a secured party under the Uniform Commercial Code in addition to its rights hereunder. This Deed of Trust constitutes a financing statement filed as a fixture filing under Section 62A.9A-502(c) of the Uniform Commercial Code covering any Property which now is or later may become a fixture.

1.3 Security Agreement; Fixture Filing. For purposes of the provisions of this Deed of Trust related to the creation and enforcement of this Deed of Trust as a security agreement and as a fixture filing, Grantor is the debtor and Grantee is the secured party. The mailing address of debtor (the Grantor herein) and of the secured party (the Grantee herein) from which information concerning security interests hereunder may be obtained is as set forth above. A carbon, photographic or other reproduction of this Deed of Trust or of any financing statement related to this Deed of Trust shall be sufficient as a financing statement for any of the purposes referenced herein.

1.4 Collateral Assignment of Leases and Rents. The Grantor hereby irrevocably and unconditionally assigns to the Trustee and its successors and assigns, IN TRUST, for the benefit and security of the Grantee as collateral security for the Obligations all of the Grantor's rights and benefits under any and all Leases (as herein defined) and any and all rents and other amounts now or hereafter owing with respect to the Leases or the use or occupancy of the Property. This collateral assignment shall be absolute and effective immediately, but the Grantor shall have a license, revocable by the Grantee, to continue to collect rents owing under the Leases until an Event of Default (as herein defined) occurs and the Grantee exercises its rights and remedies to collect such rents as set forth herein.

1.5 Conditions to Grant. To have and to hold the above granted Property unto and to the use and benefit of the Grantee, and its successors and assigns forever; provided, however, the conveyances, grants and assignments contained in this Deed of Trust are

upon the express condition that, if Grantor shall pay and perform the Obligations in full, including, without limitation, all principal, interest and premium thereon and other charges, if applicable, in accordance with the terms and conditions in the Loan Documents and this Deed of Trust, shall pay and perform all other Obligations as set forth in this Deed of Trust and shall abide by and comply with each and every covenant and condition set forth herein and in the Loan Documents, the conveyances, grants and assignments contained in this Deed of Trust shall cease, terminate and be void.

1.6 Property. The term "Property," as used in this Deed of Trust, shall mean that certain parcel of land and the fixtures, structures and improvements and all personal property constituting fixtures, as that term is defined in the Uniform Commercial Code, now or hereafter thereon located at the Address(es), as more particularly described in Exhibit A attached hereto, together with: (i) all rights now or hereafter existing, belonging, pertaining or appurtenant thereto; (ii) the following categories of assets as defined in the Uniform Commercial Code: goods (including inventory, equipment and any accessions thereto), instruments (including promissory notes), documents, accounts (including health-care-insurance receivables), chattel paper (whether tangible or electronic), deposit accounts, letter-of-credit rights (whether or not the letter of credit is evidenced by a writing), commercial tort claims, securities and all other investment property, general intangibles (including payment intangibles and software), supporting obligations and any and all proceeds of any thereof, whether now owned or hereafter acquired, that are located on or used in connection with, or that arise in whole or in part out of the Grantor's use of or business conducted on or respecting, the Property and any substitutions, replacements, accessions and proceeds of any of the foregoing; (iii) all judgments, awards of damages and settlements hereafter made as a result or in lieu of any Taking, as hereinafter defined; (iv) all of the rights and benefits of the Grantor under any present or future leases and agreements relating to the Property, including, without limitation, rents, issues and profits, or the use or occupancy thereof together with any extensions and renewals thereof, specifically excluding all duties or obligations of the Grantor of any kind arising thereunder (the "Leases"); and (v) all contracts, permits and licenses respecting the use, operation or maintenance of the Property.

1.7 Obligations. The term "Obligation(s)," as used in this Deed of Trust, shall mean without limitation all loans, advances, indebtedness, notes, liabilities and amounts, liquidated or unliquidated, now or hereafter owing by the Grantor to the Grantee at any time, of each and every kind, nature and description, whether arising under this Deed of Trust or otherwise, and whether secured or unsecured, direct or indirect (that is, whether the same are due directly by the Grantor to the Grantee; or are due indirectly by the Grantor to the Grantee as endorser, guarantor or other surety, or as obligor of obligations due third persons which have been endorsed or assigned to the Grantee, or otherwise), absolute or contingent, due or to become due, now existing or hereafter contracted, including, without limitation, payment of all amounts outstanding when due pursuant to the terms of any of the Loan Documents. Said term shall also include all interest and other charges chargeable to the Grantor or due from the Grantor to the Grantee from time to time and all costs and expenses referred to in this Deed of Trust, including without limitation the costs and expenses (including reasonable attorney's fees) of enforcement of the Grantee's rights hereunder or pursuant to any document or instrument executed in connection herewith. Notwithstanding the foregoing, the indemnification obligations of Grantor under the Certificate as to Oil and Hazardous Materials delivered in connection herewith shall not be secured by the lien of this Deed of Trust.

1.8 Cross-Collateral and Future Advances. It is the express intention of the Grantor that this Deed of Trust secure payment and performance of all of the Obligations, whether now existing or hereinafter incurred by reason of future advances by the Grantee or otherwise, and regardless of whether such Obligations are or were contemplated by the parties at the time of the granting of this Deed of Trust. Notice of the continuing grant of this Deed of Trust shall not be required to be stated on the face of any document evidencing any of the Obligations, nor shall such documents be required to otherwise specify that they are secured hereby.

2. REPRESENTATIONS, WARRANTIES, COVENANTS

2.1 Representations and Warranties. The Grantor represents and warrants that: (a) the Grantor is the sole legal owner of the Property, holding good and marketable fee simple title to the Property, subject to no liens, encumbrances, leases, security interests or rights of others, other than as set forth in detail in Exhibit C hereto (the "Permitted Encumbrances"); (b) the Grantor is the sole legal owner of the entire lessor's interest in the Leases and the Grantor has not executed any other assignment of the Leases or any of the rights or rents arising thereunder; and (c) as of the date hereof, there are no Hazardous Substances (as hereinafter defined) in, on or under the Property, except as disclosed in writing to and acknowledged by the Grantee.

2.2 Restrictions on the Grantor. The Grantor covenants that it will not, directly or indirectly, without the prior written approval of the Grantee in each instance: (a) sell, convey, assign, transfer, mortgage, pledge, hypothecate, lease or dispose of all or any part of any legal or beneficial interest in the Grantor or the Property or any part thereof or permit any of the foregoing, except as expressly permitted by the terms of this Deed of Trust; (b) permit the use, generation, treatment, storage, release or disposition of any oil or other material or substance constituting hazardous waste or hazardous materials or substances under any applicable Federal or state law, regulation or rule ("Hazardous Substances"); or (c) permit to be created or suffer to exist any mortgage, lien, security interest, attachment or other encumbrance or charge on the Property or any part thereof or interest therein (except for the Permitted Encumbrances).

2.3 Operation of Property. The Grantor covenants and agrees as follows:

- (a) The Grantor will not permit the Property to be used for any unlawful or improper purpose;
- (b) Grantor warrants that the Property is not and will not be used principally for agricultural or farming purposes. Grantor warrants that it is engaging in this transaction exclusively for business, commercial or investment purposes. The proceeds of the loan evidenced by the Obligations shall not be used for personal, family or household purposes.
- (c) The Grantor will at all times keep the Property insured for such losses or damage, in such amounts and by such companies as may be required by law or which the Grantee may require, provided that, in any case, the Grantor shall

maintain: (i) physical hazard insurance on an "all risks" basis in an amount not less than 100% of the full replacement cost of the Property; (ii) flood insurance if and as required by applicable Federal law and as otherwise required by the Grantee; (iii) comprehensive commercial general liability insurance; (iv) rent loss and business interruption insurance; and (v) such other insurance as the Grantee may require from time to time, including builder's risk insurance in the case of construction loans. All policies regarding such insurance shall be issued by companies licensed to do business in the state where the policy is issued and also in the state where the Property is located, be otherwise acceptable to the Grantee, provide deductible amounts acceptable to the Grantee, name the Grantee as a mortgagee, loss payee and additional insured, and provide that no cancellation or material modification of such policies shall occur without at least Thirty (30) days prior written notice to the Grantee;

- (d) Grantor will not enter into or modify the Leases without the prior written consent of the Grantee, execute any assignment of the Leases except in favor of the Grantee, or accept any rentals under any Lease for more than one month in advance and will at all times perform and fulfill every term and condition of the Leases; and
- (e) Grantor will at all times keep the Property in good and first-rate repair and condition (damage from casualty not excepted) and will not commit or permit any strip, waste, impairment, deterioration or alteration of the Property or any part thereof.

2.4 Payments. The Grantor covenants to pay when due: all Federal, state, municipal or other taxes, betterment and improvement assessments and other governmental levies, water rates, sewer charges, insurance premiums and other charges on the Property, this Deed of Trust or any Obligation secured hereby that could, if unpaid, result in a lien on the Property or on any interest therein. If and when requested by the Grantee, the Grantor shall deposit from time to time with the Grantee sums determined by the Grantee to be sufficient to pay when due the amounts referred to in this Section. The Grantor shall have the right to contest any notice, lien, encumbrance, claim, tax, charge, betterment assessment or premium filed or asserted against or relating to the Property; provided that it contests the same diligently and in good faith and by proper proceedings and, at the Grantee's request, provides the Grantee with adequate cash security, in the Grantee's reasonable judgment, against the enforcement thereof. The Grantor shall furnish to the Grantee the receipted real estate tax bills or other evidence of payment of real estate taxes for the Property within thirty (30) days prior to the date from which interest or penalty would accrue for nonpayment thereof. The Grantor shall also furnish to the Grantee evidence of all other payments referred to above within fifteen (15) days after written request therefor by the Grantee.

2.5 Takings. In case of any condemnation or expropriation for public use of, or any damage by reason of the action of any public or governmental entity or authority to, all or any part of the Property (a "Taking"), or the commencement of any proceedings or negotiations that might result in a Taking, the Grantor shall promptly give written notice to the Grantee, describing the nature and extent thereof. The Grantee may, at its option, appear in any proceeding for a Taking or any negotiations relating to a Taking and the Grantor shall promptly give to the Grantee copies of all notices, pleadings, determinations and other papers relating thereto. The Grantor shall in good faith and with due diligence and by proper proceedings file and prosecute its claims for any award or payment on account of any Taking. The Grantor shall not settle any such claim without the Grantee's prior written consent. The Grantor shall hold any amounts received with respect to such awards or claims, by settlement, judicial decree or otherwise, in trust for the Grantee and promptly pay the same to the Grantee. The Grantor authorizes any award or settlement due in connection with a Taking to be paid directly to the Grantee in amounts not exceeding the Obligations. The Grantee may apply such amounts to the Obligations in such order as the Grantee may determine.

2.6 Insurance Proceeds. The proceeds of any insurance resulting from any loss with respect to the Property shall be paid to the Grantee and, at the option of the Grantee, be applied to the Obligations in such order as the Grantee may determine; provided, however, that if the Grantee shall require repair of the Property, the Grantee may release all or any portion of such proceeds to the Grantor for such purpose. Any insurance proceeds paid to the Grantor shall be held in trust for the Grantee and promptly paid to it.

2.7 Grantor Identification Certification. Grantor declares and certifies under penalty of perjury that:

- (a) (i) the Taxpayer Identification Number of Chinidere, LLC is 20-2139241; (ii) the business mailing address of such Grantor is as set forth on page 1 hereof; (iii) such Grantor is not a "foreign person" within the meaning of Sections 1445 and 7701 of the Internal Revenue Code of 1986, as amended (the "Code"); and (iv) such Grantor understands that the information and certification contained in this Section may be disclosed to the Internal Revenue Service and that any false statement contained herein could be punished by fine, imprisonment or both. In addition Chinidere, LLC agrees (i) to provide Beneficiary with a new certification containing the provisions of the first sentence of this paragraph immediately upon any change in such information, and (ii) upon any transfer which is permitted by the terms of this Deed of Trust, to cause the transferee to execute and deliver to the Beneficiary a certificate concerning the non-foreign status of such transferee substantially in the form of the first sentence of this paragraph.

3. DEFAULTS AND REMEDIES

3.1 Events of Default. Event of Default shall mean the occurrence of any one or more of the following events: (a) default of any liability, obligation or undertaking of the Grantor or any guarantor of the Obligations to the Grantee, hereunder or otherwise, including, without limitation, failure to pay in full and when due any installment of principal or interest or default of the Grantor or any guarantor of the Obligations under any other Loan Document; (b) failure by the Grantor to perform, observe or comply with any of the covenants, agreements, terms or conditions set forth in this Deed of Trust; (c) the (i) occurrence of any material loss, theft, damage or destruction of, or (ii) issuance or making of any levy, seizure, attachment, execution or similar process on a material portion of the Property; (d) failure of the Grantor or any guarantor of the Obligations to maintain aggregate collateral security value satisfactory to the Grantee; (e) default of any material liability, obligation or undertaking of the Grantor or any guarantor of the Obligations to any other party; (f) if any statement, representation or warranty heretofore, now or hereafter made by the Grantor or any guarantor of the Obligations in

connection with this Agreement or in any supporting financial statement of the Grantor or any guarantor of the Obligations shall be determined by the Grantee to have been false in any material respect when made; (g) if the Grantor or any guarantor of the Obligations is a corporation, trust, partnership or limited liability company, the liquidation, termination or dissolution of any such organization, or the merger or consolidation of such organization into another entity, or its ceasing to carry on actively its present business or the appointment of a receiver for its property; (h) the death of the Grantor or any guarantor of the Obligations and, if the Grantor or any guarantor of the Obligations is a partnership or limited liability company, the death of any partner or member; (i) the institution by or against the Grantor or any guarantor of the Obligations of any proceedings under the Bankruptcy Code 11 USC §101 *et seq.* or any other law in which the Grantor or any guarantor of the Obligations is alleged to be insolvent or unable to pay its debts as they mature, or the making by the Grantor or any guarantor of the Obligations of an assignment for the benefit of creditors or the granting by the Grantor or any guarantor of the Obligations of a trust mortgage for the benefit of creditors; (j) the service upon the Grantee of a writ in which the Grantee is named as trustee of the Grantor or any guarantor of the Obligations; (k) a judgment or judgments for the payment of money shall be rendered against the Grantor or any guarantor of the Obligations, and any such judgment shall remain unsatisfied and in effect for any period of thirty (30) consecutive days without a stay of execution; (l) any levy, lien (including mechanics lien), seizure, attachment, execution or similar process shall be issued or levied on any of the property of the Grantor or any guarantor of the Obligations; (m) the termination of any guaranty of the Obligations; or (n) the occurrence of such a change in the condition or affairs (financial or otherwise) of the Grantor or any guarantor of the Obligations, or the occurrence of any other event or circumstance, such that the Grantee, in its sole discretion, deems that it is insecure or that the prospects for timely or full payment or performance of any obligation of the Grantor or any guarantor of the Obligations to the Grantee has been or may be impaired.

3.2 Remedies. On the occurrence of any Event of Default the Grantee may, at any time thereafter, at its option and, to the extent permitted by applicable law, without notice, exercise any or all of the following remedies:

- (a) Declare the Obligations due and payable, and the Obligations shall thereupon become immediately due and payable, without presentment, protest, demand or notice of any kind, all of which are hereby expressly waived by the Grantor except for Obligations due and payable on demand, which shall be due and payable on demand whether or not an event of default has occurred hereunder;
- (b) Enter, take possession of, manage and operate the Property (including all personal property and all records and documents pertaining thereto) and any part thereof and exclude the Grantor therefrom, take all actions it deems necessary or proper to preserve the Property and operate the Property as a mortgagee in possession with all the powers as could be exercised by a receiver or as otherwise provided herein or by applicable law; provided, however, the entry by the Grantee upon the Property for any reason shall not cause the Grantee to be a mortgagee in possession, except upon the express written declaration of the Grantee;
- (c) With or without taking possession, receive and collect all rents, income, issues and profits ("Rents") from the Property (including all real estate and personal property and whether past due or thereafter accruing), including as may arise under the Leases, and the Grantor appoints the Grantee as its true and lawful attorney with the power for the Grantee in its own name and capacity to demand and collect Rents and take any action that the Grantor is authorized to take under the Leases. The Grantee shall (after payment of all costs and expenses incurred) apply any Rents received by it to the Obligations in such order as the Grantee determines, or in accordance with any applicable statute, and the Grantor agrees that exercise of such rights and disposition of such funds shall not be deemed to cure any default or constitute a waiver of any foreclosure once commenced nor preclude the later commencement of foreclosure for breach thereof. The Grantee shall be liable to account only for such Rents actually received by the Grantee. Lessees under the Leases are hereby authorized and directed, following notice from the Grantee, to pay all amounts due the Grantor under the Leases to the Grantee, whereupon such lessees shall be relieved of any and all duty and obligation to the Grantor with respect to such payments so made;
- (d) In addition to any other remedies, to sell the Property or any part thereof or interest therein pursuant to exercise of its power of sale or otherwise at public auction on terms and conditions as the Grantee may determine, or otherwise foreclose this Deed of Trust in any manner permitted by law, and upon such sale the Grantor shall execute and deliver such instruments as the Grantee may request in order to convey and transfer all of the Grantor's interest in the Property, and the same shall operate to divest all rights, title and interest of the Grantor in and to the Property. In the event this Deed of Trust shall include more than one parcel of property or subdivision (each hereinafter called a "portion"), the Grantee shall, in its sole and exclusive discretion and to the extent permitted by applicable law, be empowered to foreclose upon any such portion without impairing its right to foreclose subsequently upon any other portion or the entirety of the Property from time to time thereafter. In addition, the Grantee may in its discretion subordinate this Deed of Trust to one or more Leases for the sole purpose of preserving any such Lease in the event of a foreclosure;
- (e) Cause one or more environmental assessments to be taken, arrange for the cleanup of any Hazardous Substances or otherwise cure the Grantor's failure to comply with any statute, regulation or ordinance relating to the presence or cleanup of Hazardous Substances, and the Grantor shall provide the Grantee or its agents with access to the Property for such purposes; provided that the exercise of any of such remedies shall not be deemed to have relieved the Grantor from any responsibility therefor or given the Grantee "control" over the Property or cause the Grantee to be considered to be a mortgagee in possession, "owner" or "operator" of the Property for purposes of any applicable law, rule or regulation pertaining to Hazardous Substances; and
- (f) Take such other actions or proceedings as the Grantee deems necessary or advisable to protect its interest in the Property and ensure payment and performance of the Obligations, including, without limitation, appointment of a receiver (and the

Grantor hereby waives any right to object to such appointment) and exercise of any of the Grantee's remedies provided herein or in any other document evidencing, securing or relating to any of the Obligations or available to a secured party under the Uniform Commercial Code or under other applicable law.

In addition, the Grantee shall have all other remedies provided by applicable law, including, without limitation, the right to pursue a judicial sale of the Property or any portion thereof by deed, assignment or otherwise and the right to foreclose Grantor's interest in all or any part of the Property by judicial foreclosure and to cause the Trustee to foreclose by notice and sale by nonjudicial foreclosure, in accordance with applicable law. Any receiver appointed may serve without bond. Employment by the Grantee will not disqualify a person from serving as receiver.

The Grantor agrees and acknowledges that the acceptance by the Grantee of any payments from either the Grantor or any guarantor after the occurrence of any Event of Default, the exercise by the Grantee of any remedy set forth herein or the commencement of foreclosure proceedings against the Property shall not waive the Grantee's right to foreclose or operate as a bar or estoppel to the exercise of any other rights or remedies of the Grantee. The Grantor agrees and acknowledges that the Grantee, by making payments or incurring costs described herein, shall be subrogated to any right of the Grantor to seek reimbursement from any third parties, including, without limitation, any predecessor in interest to the Grantor's title or other party who may be responsible under any law, regulation or ordinance relating to the presence or cleanup of Hazardous Substances.

3.3 Advances. If the Grantor fails to pay or perform any of its obligations respecting the Property, the Grantee may in its sole discretion do so without waiving or releasing Grantor from any such obligation. Any such payments may include, but are not limited to, payments for taxes, assessments and other governmental levies, water rates, insurance premiums, maintenance, repairs or improvements constituting part of the Property. Any amounts paid by the Grantee hereunder shall be, until paid, part of the Obligations and secured by this Deed of Trust, and shall be due and payable to the Grantee, on demand, together with interest thereon to the extent permitted by applicable law, at the highest rate permitted under any of the notes evidencing the Obligations.

3.4 Cumulative Rights and Remedies. All of the foregoing rights, remedies and options (including without limitation the right to enter and take possession of the Property, the right to manage and operate the same, and the right to collect Rents, in each case whether by a receiver or otherwise) are cumulative and in addition to any rights the Grantee might otherwise have, whether at law or by agreement, and may be exercised separately or concurrently and none of which shall be exclusive of any other. The Grantor further agrees that the Trustee and the Grantee may exercise any or all of its rights or remedies set forth herein without having to pay the Grantor any sums for use or occupancy of the Property.

3.5 Grantor's Waiver of Certain Rights. To the extent permitted by applicable law, the Grantor hereby waives the benefit of all present and future laws (i) providing for any appraisal before sale of all or any portion of the Property or (ii) in any way extending the time for the enforcement of the collection of the Obligations or creating or extending a period of redemption from any sale made hereunder.

3.6 Transfer of Title. Upon the completion of any sale or sales of any Property, Trustee shall execute and deliver to the accepted purchaser or purchasers a good and sufficient deed of conveyance or assignment and transfer, lawfully conveying, assigning, and transferring the Property sold, but without any covenant or warranty, express or implied.

3.7 Effect of Sale. Any sale or sales made by virtue of or under this Deed of Trust, whether under any power of sale herein granted or through judicial proceedings, shall, to the fullest extent permitted by law, operate to divest all right, title, estate, interest, claim, and demand whatsoever, either at law or in equity, of Trustor in and to the property so sold, or any part thereof from, through or under Trustor, its successors and assigns. The receipt by Trustee shall be full and sufficient discharge to any purchaser of the Property or any part thereof sold as aforesaid for the purchase money; and no purchaser or his representatives, grantees or assigns after paying such purchase money and receiving such receipt, shall be bound to see to the application of such purchase money upon or for any trust or purpose of this Deed of Trust, or in any manner whatsoever be answerable for any loss, misapplication or non-application of any such purchase money or be bound to inquire as to the authorization, necessity, expedience or regularity of any such sale.

3.8 Reconveyance. Upon written request of the Beneficiary and surrender of this Deed of Trust and any Notes to Trustee for cancellation or endorsement, and upon payment of its fees and charges, Trustee shall reconvey, without warranty, all or any part of the Property then subject to this Deed of Trust. Any reconveyance, whether full or partial, may be made in terms to "the person or persons legally entitled thereto," and the recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof.

4. MISCELLANEOUS

4.1 Costs and Expenses. To the extent permitted by applicable law, the Grantor shall pay to the Trustee and the Grantee, on demand, all reasonable expenses (including attorneys' fees and expenses and reasonable consulting, accounting, appraisal, brokerage and similar professional fees and charges) incurred by the Trustee and the Grantee in connection with the Trustee's and the Grantee's interpretation, recordation of this Deed of Trust, exercise, preservation or enforcement of any of its rights, remedies and options set forth in this Deed of Trust and in connection with any litigation, proceeding or dispute whether arising hereunder or otherwise relating to the Obligations, together with interest thereon to the extent permitted by applicable law, until paid in full by the Grantor at the highest rate set forth in any of the notes evidencing the Obligations. As used in this Deed of Trust, the term "attorneys' fees" or "expenses" (or similar references to attorneys' fees and costs or expenses of Bank) shall mean all attorneys' and paralegals' fees and expenses, whether in an action or proceeding, upon appeal therefrom, or in connection with any petition for review or action for rescission, or in a case or proceeding under the Bankruptcy Code or successor statute, including the adjudication to any issues that particularly relate thereto, or in connection with any other action to interpret or enforce any of the provisions of this Deed of Trust (whether or not suit is

filed), and all costs of searching records, obtaining title reports, surveyor reports, title insurance, trustee fees and other reasonable costs incurred by Bank and its successors in connection with the matters referenced herein, that are necessary or advisable at any time in the opinion of any such person for the protection of its interest or enforcement of its rights. Any amounts owed by the Grantor hereunder shall be, until paid, part of the Obligations and secured by this Deed of Trust, and the Grantee shall be entitled, to the extent permitted by law, to receive and retain such amounts in any action for a deficiency against or redemption by the Grantor, or any accounting for the proceeds of a foreclosure sale or of insurance proceeds.

4.2 Waivers. The Grantor waives notice of nonpayment, demand, presentment, protest or notice of protest of the Obligations and all other notices, consents to any renewals or extensions of time of payment thereof, and generally waives any and all suretyship defenses and defenses in the nature thereof. No delay or omission of the Grantee in exercising or enforcing any of its rights, powers, privileges, remedies, immunities or discretion (all of which are hereinafter collectively referred to as "the Grantee's rights and remedies") hereunder shall constitute a waiver thereof; and no waiver by the Grantee of any default of the Grantor hereunder or of any demand shall operate as a waiver of any other default hereunder or of any other demand. No term or provision hereof shall be waived, altered or modified except with the prior written consent of the Grantee, which consent makes explicit reference to this Deed of Trust. Except as provided in the preceding sentence, no other agreement or transaction, of whatsoever nature, entered into between the Grantee and the Grantor at any time (whether before, during or after the effective date or term of this Deed of Trust) shall be construed as a waiver, modification or limitation of any of the Grantee's rights and remedies under this Deed of Trust (nor shall anything in this Deed of Trust be construed as a waiver, modification or limitation of any of the Grantee's rights and remedies under any such other agreement or transaction) but all the Grantee's rights and remedies not only under the provisions of this Deed of Trust but also under any such other agreement or transaction shall be cumulative and not alternative or exclusive, and may be exercised by the Grantee at such time or times and in such order of preference as the Grantee in its sole discretion may determine.

4.3 Waiver of Homestead. To the maximum extent permitted under applicable law, the Grantor hereby waives and terminates any homestead rights and/or exemptions respecting the Property under the provisions of any applicable homestead laws, including, without limitation, Revised Code of Washington Chapter 6.13.

4.4 Time of the Essence. Time is of the essence of the performance of Grantor's obligations under this Deed of Trust.

4.5 Severability. If any provision of this Deed of Trust or portion of such provision or the application thereof to any person or circumstance shall to any extent be held invalid or unenforceable, the remainder of this Deed of Trust (or the remainder of such provision) and the application thereof to other persons or circumstances shall not be affected thereby.

4.6 Complete Agreement. This Deed of Trust and the other Loan Documents constitute the entire agreement and understanding between and among the parties hereto relating to the subject matter hereof, and supersedes all prior proposals, negotiations, agreements and understandings among the parties hereto with respect to such subject matter.

4.7 Binding Effect of Agreement. This Deed of Trust shall run with the land and be binding upon and inure to the benefit of the respective heirs, executors, administrators, legal representatives, successors and assigns of the parties hereto, and shall remain in full force and effect (and the Grantee shall be entitled to rely thereon) until all Obligations are fully and indefeasibly paid. The Grantee may transfer and assign this Deed of Trust and deliver any collateral to the assignee, who shall thereupon have all of the rights of the Grantee; and the Grantee shall then be relieved and discharged of any responsibility or liability with respect to this Deed of Trust and such collateral. Except as expressly provided herein or in the other Loan Documents, nothing, expressed or implied, is intended to confer upon any party, other than the parties hereto, any rights, remedies, obligations or liabilities under or by reason of this Deed of Trust or the other Loan Documents.

4.8 Notices. Any notices under or pursuant to this Deed of Trust shall be deemed duly received and effective if delivered in hand to any officer or agent of the Grantor or the Grantee, or if mailed by registered or certified mail, return receipt requested, addressed to the Grantor or the Grantee at the address set forth in this Deed of Trust or as any party may from time to time designate by written notice to the other party.

4.9 Governing Law. This Deed of Trust shall be governed by Washington law without giving effect to the conflicts of laws principles thereof.

4.10 JURY WAIVER. THE GRANTOR AND THE GRANTEE EACH HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY, AND AFTER AN OPPORTUNITY TO CONSULT WITH LEGAL COUNSEL, (A) WAIVE ANY AND ALL RIGHTS TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING IN CONNECTION WITH THIS DEED OF TRUST, THE OBLIGATIONS, ALL MATTERS CONTEMPLATED HEREBY AND DOCUMENTS EXECUTED IN CONNECTION HERewith AND (B) AGREE NOT TO CONSOLIDATE ANY SUCH ACTION WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CAN NOT BE, OR HAS NOT BEEN WAIVED. THE GRANTOR CERTIFIES THAT NEITHER THE GRANTEE NOR ANY OF ITS REPRESENTATIVES, AGENTS OR COUNSEL HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT THE GRANTEE WOULD NOT IN THE EVENT OF ANY SUCH PROCEEDING SEEK TO ENFORCE THIS WAIVER OF RIGHT TO TRIAL BY JURY.

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.

EXECUTED as of the date first above written.

Grantor:

Chinidere, LLC

By: Feliz Family, LLC, Member

By: [Signature]
John R. Feliz

Its: Manager

[Signature]

STATE OF WASHINGTON

COUNTY OF CLARK

)
) ss.
)

On this 23 day of February, 2005, personally appeared before me JOHN R FELIZ, to me known to be the MANAGER of Feliz Family, LLC, named in the foregoing instrument as a **Member of Chinidere, LLC**, a **Washington** limited liability company, the limited liability company that executed the within and foregoing instrument, and acknowledged that said instrument to be the free and voluntary act and deed of said limited liability company, for the uses and purposes therein mentioned, and on oath stated that he/she was authorized to execute said instrument.

In witness whereof, I have hereunto set my hand and affixed my official seal the day and year first above written.

[Signature]
(Signature)

LOIS R ROBERTS
(Print Name)

Notary Public in and for the State of Washington

Residing at Conover

My commission expires 12-15-2007



EXHIBIT 'A'

A tract of land in the Southwest Quarter of Section 36, Township 3 North, Range 7½ East, of the Willamette Meridian, in the County of Skamania, State of Washington, described as follows:

Commencing at a point 31.47 chains East of the Southwest corner of the North Half of the Henry Shepard D.L.C. #43, said corner being 15.75 chains East and 20.97 chains North of the Quarter corner common to Section 1, Township 2 North, Range 7 East and Section 36, Township 3 North, Range 7 East; thence North 15°48'48" West, 267.57 feet to a point on the Northerly line of that parcel granted to Richard T. Reid, et ux, by instrument recorded October 3, 2003 in Book 251 at Page 600, Auditor File No. 150572, and the point of beginning; thence continuing North 15°48'48" West on said line, 441.37 feet to an intersection with the centerline of Vallett Creek (from which an ½" iron rod with red plastic cap bears South 15°48'48" East, 79.87 feet); thence following along the centerline of said creek in a Northerly direction, the chord of which is North 10°27'45" East, 329.57 feet to an intersection with the West extension of the South line of the Skaalheim Tracts as shown on the map thereof recorded in Book 'A' at Page 143 of Plats, Auditor File No. 70454 (from which an ½" iron rod with 2" aluminum cap bears South 89°04'37" East, 5.0 feet); thence South 89°04'37" East, 958.97 feet along said South line to the Northwest corner of the parcel granted to Betty Daugherty by instrument recorded October 3, 2003 in Book 251 at Page 598, Auditor File No. 150571; thence South 14°41'20" East, 165.53 feet along said parcel to the Southwest corner thereof; thence North 70°41'08" East, 15.00 feet to the Southeast corner thereof and also the Southwest corner of the Second Addition to Hill Crest Acre Tracts as shown on the map thereof recorded in Book 'A' at Page 100 of Plats, Auditor File No. 41219; thence along the Southeasterly line of said Plat, North 70°41'08" East, 254.91 feet to the Southeast corner thereof; thence South 15°59'52" East, 522.97 feet to a point on the centerline of SR 14 (from which an 1" iron pipe bears North 15°59'52" West, 51.65 feet); thence Southwesterly along said road, at all times following the centerline thereof, 1,254.27 feet to centerline station 63+00 (of 1925); thence at right angle from said centerline to an intersection with the centerline of Vallett Creek as it presently exists, North 38°51'37" West, 50 feet; thence Northwesterly along said centerline (the chord of which bears North 23°20'43" West, 189.41 feet) to the North line of an old roadway formerly known and designated as the Carson-Stevenson Road; thence along said North line, North 77°28'00" East, 217.25 feet to an intersection with the centerline of Lutheran Church Road; thence along the centerline of Lutheran Church Road, North 25°36'23" West, 297.49 feet to the Northeast corner of the parcel granted to Shepherd of the Hills Evangelical Lutheran Church by that instrument recorded August 30, 1961 in Book 49 at Page 144 of Deeds and also a point on the Southerly line of the parcel granted to Richard T. Reid, et ux, by that instrument recorded February 26, 1970 in Book 61 at Page 531 of Deeds; thence North 79°49'12" East, 31.10 feet to the Southeast corner thereof; thence North 25°28'48" West, 149.17 feet to the Northeast corner thereof; thence South 77°11'12" West, 61.50 feet to the Southeast corner of that parcel granted to Richard T. Reid, et ux, by said instrument recorded October 3, 2003 in Book 251 at Page 600, Auditor File No. 150572; thence North 25°28'48" West, 21.69 feet to the Northeast corner thereof; thence along the Northerly line thereof South 75°06'13" West, 236.01 feet to the point of beginning; EXCEPTING THEREFROM any portion of SR 14.

EXHIBIT "B"
Permitted Encumbrances

None

Unofficial
Copy