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Filed by: SKAMAHIA COUNTY TITLE
Filed & Recorded in Official Records
of SKAMAHIA COUNTY
J. MICHAEL GARVISON
AUDITOR
Fee: \$35.00

WHEN RECORDED RETURN TO:

IQ Credit Union

Attn: Mark Manzer

PO Box 1739

Vancouver, WA 98668

SLIC 27910

DEED OF TRUST OF TRUST FOR RESIDENTIAL PROPERTY AND FIXTURE FILING

Grantor: Daniel W Frasier and Janis E Frasier

Grantee: IQ Credit Union

Abbreviated Legal

Description: SEC 15 T4N R7E

Full Legal on Page 5

Assessor's Property Tax

Parcel Account Number(s): 04-07-15-0-0-0507-00

**Reference Numbers of
Documents Assigned or Released:**

COMMERCIAL DEED OF TRUST FOR RESIDENTIAL PROPERTY

This DEED OF TRUST FOR RESIDENTIAL PROPERTY AND FIXTURE FILING (this "Deed of Trust") is made as of **July 20, 2005**, by Daniel W Frasier, an individual with an address of **42 Sadie Road, Carson, Washington 98610** and Janis E Frasier, an individual with an address of **42 Sadie Road, Carson, Washington 98610** (collectively, the "Grantor" and each a "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 Skamania County Title Company, with an address of PO Box 27, Stevenson, Washington 98648 (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): **42 Sadie Road, Carson, Washington 98610** (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 Deeds of Trust, 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 obligations of the Grantor to the Grantee respecting (A) that certain **Unlimited Guaranty**, dated **July 20, 2005** by **Daniel W and Janis E Frasier** in favor of the Grantee pursuant to which **Daniel W and Janis E Frasier** guaranteed all of the obligations of **JanDanCan LLC** to the Grantee (the "Daniel W and Janis E Frasier Guaranty"), including without limitation, respecting that certain **Term Note - Line of Credit**, dated **July 20, 2005**, by **JanDanCan LLC** in favor of the Grantee in the original principal amount of **\$65,000.00** (collectively, such guaranties are hereinafter referred to as the "Guaranty" and along with all other agreements, documents, certificates and instruments delivered in connection therewith are hereinafter referred to as 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 **\$65,000.00** 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 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.

1.5 Property. The term "Property," as used in this Deed of Trust, shall mean that certain parcel of land and the fixtures, structures and improvements 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.

1.6 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, any of the Loan Documents 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 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.

1.7 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) This Deed of Trust has been duly executed and delivered by the Grantor and is the legal, valid and binding obligation of the Grantor enforceable in accordance with its terms, except as limited by bankruptcy, insolvency, reorganization, moratorium and other laws affecting the enforcement of creditors' rights generally;
- (b) 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 B hereto (the "Permitted Encumbrances");
- (c) As of the date hereof, there are no Hazardous Substances (as herein defined) in, on or under the Property, except as disclosed in writing to and acknowledged by the Grantee; and
- (d) Each Obligation is a commercial obligation and does not represent a loan used for personal, family or household purposes and is not a consumer transaction or otherwise subject to the provisions of the Federal Truth in Lending Act, Federal Reserve Board Regulation Z, Consumer Protection Act, Revised Code of Washington Chapter 19.86, or other such consumer statutes or regulations and restrictions.

2.2 Recording; Further Assurances. The Grantor covenants that it shall, at its sole cost and expense and upon the request of the Grantee, cause this Deed of Trust, and each amendment, modification or supplement hereto, to be recorded and filed in such manner and in such places, and shall at all times comply with all such statutes and regulations, as may be required by law in order to establish, preserve and protect the interest of the Grantee in the Property and the rights of the Grantee under this Deed of Trust. Upon the written request of the Grantee, and at the sole expense of the Grantor, the Grantor will promptly execute and deliver such further instruments and documents and take such further actions as the Grantee may deem desirable to obtain the full benefits of this Deed of Trust and of the rights and powers herein granted, including, without limitation, delivery of any certificate of title and filing any financing statement under the Uniform Commercial Code. The Grantor authorizes the Grantee to file any such financing statement without the signature of the Grantor, to the extent permitted by applicable law, and to file a copy of this Deed of Trust in lieu of a financing statement.

2.3 Restrictions on Grantor. The Grantor covenants that it will not, nor will it permit any other person to, 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), including, without limitation, (i) any lien arising under any Federal, state or local statute, rule, regulation or law pertaining to the release or cleanup of Hazardous Substances and (ii) any mechanics' or materialmen's lien. The Grantor further agrees to give the Grantee prompt written notice of the imposition, or notice, of any lien referred to in this Section and to take any action necessary to secure the prompt discharge or release of the same. The Grantor agrees to defend its title to the Property and the Grantee's interest therein against the claims of all persons and, unless the Grantee requests otherwise, to appear in and diligently contest, at the Grantor's sole cost and expense, any action or proceeding that purports to affect the Grantor's title to the Property or the priority or validity of this Deed of Trust or the Grantee's interest hereunder.

2.4 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, will at all times comply with all Federal, state and local laws, ordinances and regulations and the provisions of any Lease, easement or other agreement affecting all or any part of the Property, and will obtain and maintain all governmental or other approvals relating to the Grantor, the Property or the use thereof, including, without limitation, any applicable zoning or building codes or regulations and any laws or regulations relating to the handling, storage, release or cleanup of Hazardous Substances, and will give prompt written notice to the Grantee of (i) any violation of any such law, ordinance or regulation by the Grantor or relating to the Property, (ii) receipt of notice from any Federal, state or local authority alleging any such violation and (iii) the presence or release on the Property of any Hazardous Substances;
- (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 any loan secured by this Deed of Trust 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 and 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; and (iii) such other insurance as the Grantee may require from time to time. 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 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. Such policies shall include (i) a mortgage, endorsement determined by the Grantee in good faith to be equivalent to the "standard" mortgage, endorsement so that the insurance, as to the interest of the Grantee, shall not be invalidated by any act or neglect of the Grantor or the owner of the Property, any foreclosure or other proceedings or notice of sale relating to the Property, any change in the title to or ownership of the Property, or the occupation or use of the Property for purposes more hazardous than are permitted at the date of inception of such insurance policies; (ii) a replacement cost endorsement; (iii) an agreed amount endorsement; (iv) a contingent liability from operation endorsement; and (v) such other endorsements as the Grantee may request. The Grantor will furnish to the Grantee upon request such original policies, certificates of insurance or other evidence of the foregoing as are acceptable to the Grantee. The terms of

all insurance policies shall be such that no coinsurance provisions apply, or if a policy does contain a coinsurance provision, the Grantor shall insure the Property in an amount sufficient to prevent the application of the coinsurance provisions; and

- (d) The 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.

2.5 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.

2.6 Notices; Notice of Default. The Grantor will deliver to the Grantee, promptly upon receipt of the same, copies of all notices or other documents it receives that affect the Property or its use, or claim that the Grantor is in default in the performance or observance of any of the terms hereof. The Grantor further agrees to deliver to the Grantee written notice promptly upon the occurrence of any Event of Default hereunder or event that with the giving of notice or lapse of time, or both, would constitute an Event of Default hereunder.

2.7 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.

2.8 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.

3. CERTAIN RIGHTS OF THE GRANTEE

3.1 Legal Proceedings. The Grantee shall have the right, but not the duty, to intervene or otherwise

participate in any legal or equitable proceeding that, in the Grantee's reasonable judgment, might affect the Property or any of the rights created or secured by this Deed of Trust. The Grantee shall have such right whether or not there shall have occurred an Event of Default hereunder.

3.2 Appraisals/Assessments. The Grantee shall have the right, at the Grantor's sole cost and expense, to obtain appraisals, environmental site assessments or other inspections of the portions of the Property that are real estate at such times as the Grantee deems necessary or as may be required by applicable law, or its prevailing credit or underwriting policies. The Obligations shall include, without limitation, the costs of any property appraisals that may be obtained by Grantee in connection with a suit for a deficiency judgment.

3.3 Financial Statements. The Grantee shall have the right, at the Grantor's sole cost and expense, to require delivery of financial statements in form and substance acceptable to the Grantee from the Grantor or any guarantor of any of the Obligations and the Grantor hereby agrees to deliver such financial statements and/or cause any such guarantor to so deliver any such financial statement when required by the Grantee.

3.4 Substitution of Trustee Beneficiary may from time to time, without notice to the Trustor or Trustee and with or without cause and with or without the resignation of Trustee, substitute a successor or successors to the Trustee named herein or acting hereunder. Upon such appointment, the successor trustee shall be vested with all title, powers and duties conferred upon the Trustee named herein or acting hereunder. Each such appointment and substitution shall be made by a writing executed by Beneficiary and when duly recorded in the appropriate office shall be conclusive proof of proper appointment of such successor Trustee. The procedure herein provided for substitution of the Trustee shall be conclusive of all other provisions for substitution, statutory or otherwise.

4. DEFAULTS AND REMEDIES

4.1 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 Deed of Trust 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.

4.2 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 records and documents pertaining thereto) 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) 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;

- (d) 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
- (e) 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.

4.3 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.

4.4 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 Bank 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.

4.5 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.

4.6 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.

4.7 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 Grantor in and to the property so sold, or any part thereof from, through or under Grantor, 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.

4.8 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.

5. MISCELLANEOUS

5.1 Costs and Expenses. To the extent permitted by applicable law, the Grantor shall pay to the Trustee or Bank, 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 or Bank in connection with the Trustee's or Bank'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.

5.2 Indemnitor's Expenses. If any Indemnitor is made a party defendant to any litigation or any claim is threatened or brought against such Indemnitor concerning this Deed of Trust or the Property or any part thereof or therein or concerning the construction, maintenance, operation or the occupancy or use thereof by the Grantor or other person or entity, then the Grantor shall indemnify, defend and hold each Indemnitor harmless from and against all liability by reason of said litigation or claims, including attorneys' fees and expenses incurred by such Indemnitor in connection with any such litigation or claim, whether or not any such litigation or claim is prosecuted to judgment. The within indemnification shall survive payment of the Obligations, and/or any termination, release or discharge executed by the Grantee in favor of the Grantor.

5.3 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.

5.4 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.

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

5.6 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.

5.7 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.

5.8 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.

5.9 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.

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

5.11 Reproductions. This Deed of Trust and all documents which have been or may be hereinafter furnished by the Grantor to the Grantee may be reproduced by the Grantee by any photographic, photostatic, microfilm, xerographic or similar process, and any such reproduction shall be admissible in evidence as the original itself in any judicial or administrative proceeding (whether or not the original is in existence and whether or not such reproduction was made in the regular course of business).

5.12 Jurisdiction and Venue. The Grantor irrevocably submits to the nonexclusive jurisdiction of any Federal or state court sitting in Washington, over any suit, action or proceeding arising out of or relating to this Deed of Trust. The Grantor irrevocably waives, to the fullest extent it may effectively do so under applicable law, any objection it may now or hereafter have to the laying of the venue of any such suit, action or proceeding brought in any such court and any claim that the same has been brought in an inconvenient forum. The Grantor hereby consents to process being served in any such suit, action or proceeding, (i) by the mailing of a copy thereof by registered or certified mail, postage prepaid, return receipt requested, to the Grantor's address set forth herein or such other address as has been provided in writing to the Grantee and (ii) in any other manner permitted by law, and agrees that such service shall in every respect be deemed effective service upon the Grantor.

5.13 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:


Daniel W Frasier, individually

Grantor:


Janis E Frasier, individually

STATE OF WASHINGTON

:
SS.
:

COUNTY OF CLARK

On this 20th day of July, 2005, personally appeared before me **Daniel W Frasier**, to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that he/she signed the same as his/her free and voluntary act and deed, for the uses and purposes therein mentioned.

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



Karinna Hagelgan
(Signature)

Karinna Hagelgan
(Print Name)
Notary Public in and for the State of Washington
Residing at Vancouver, WA
My commission expires August 31, 2008

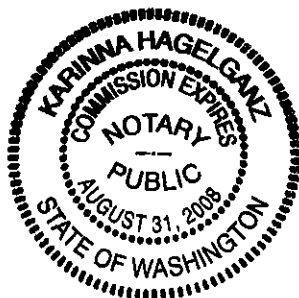
STATE OF WASHINGTON

:
SS.
:

COUNTY OF CLARK

On this 20th day of July, 2005, personally appeared before me **Janis E Frasier**, to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that he/she signed the same as his/her free and voluntary act and deed, for the uses and purposes therein mentioned.

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



Karinna Hagelgan
(Signature)

Karinna Hagelgan
(Print Name)
Notary Public in and for the State of Washington
Residing at Vancouver, WA
My commission expires August 31, 2008

EXHIBIT "A"

Property Description

A tract of land in Section 15, Township 4 North, Range 7 East of the Willamette Meridian, in the County of Skamania, State of Washington, described as follows:

Lot 2 of the Sylvia Short Plat recorded in Book 3 of Short Plats, Page 430, Skamania County Records.

Unofficial
Copy

EXHIBIT "B"

Permitted Encumbrances

1. Easements for Roads as disclosed by Survey recorded in Book 3 of Surveys, Page 397.
2. Conditions, Restrictions, Easements and Road Maintenance Agreement, including the terms and provisions thereof, recorded May 25, 2001 in Book 210, Page 296.
Amendment recorded June 25, 2001 in Book 211, Page 529.
3. Grant of Easement, including the terms and provisions thereof, recorded June 25, 2001 in Book 211, Page 518.
4. Easement, including the terms and provisions thereof, recorded May 14, 2001 in Book 209, page 747.
5. Easement as shown on the recorded Short Plat.
6. Deed of Trust, including the terms and provisions thereof, executed by DANIEL W. FRASIER AND JANIS E. FRASIER, HUSBAND AND WIFE, as grantor, to RIVERVIEW SERVICES, INC., as trustee, for RIVERVIEW COMMUNITY BANK, FEDERAL SAVINGS BANK, as Beneficiary, dated FEBRUARY 26, 2004, recorded MARCH 5, 2004 in Auditor File No. 2004152207, Skamania County Mortgage Records, given to secure the payment of \$170,100.00.
7. No further encumbrances permitted.

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