

Return Address:

<i>Document Title(s) or transactions contained herein:</i>  Deed of Trust
<i>GRANTOR(S) (Last name, first name, middle initial)</i>  Mark Euter, a single person
<input type="checkbox"/> Additional names on page _____ of document.
<i>GRANTEE(S) (Last name, first name, middle initial)</i>  Ronald M. Johnson et al' Cascade Title Co. Trustee
<input type="checkbox"/> Additional names on page _____ of document.
<i>LEGAL DESCRIPTION (Abbreviated: i.e., Lot, Block, Plat or Section, Township, Range, Quarter/Quarter)</i>  <input type="checkbox"/> Complete legal on page _____ of document.
<i>REFERENCE NUMBER(S) of Documents assigned or released:</i>  <input type="checkbox"/> Additional numbers on page _____ of document.
<i>ASSESSOR'S PROPERTY TAX PARCEL/ACCOUNT NUMBER</i>  07-05-00-0-0-6100 07-05-00-0-0-6203 <input type="checkbox"/> Property Tax Parcel ID is not yet assigned <input type="checkbox"/> Additional parcel numbers on page _____ of document.
The Auditor/Recorder will rely on the information provided on the form. The Staff will not read the document to verify the accuracy or completeness of the indexing information.

AFTER RECORDING RETURN TO:  
Mortgage Equities  
200 Northeast Pacific Street  
Seattle WA 98105

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GRANTOR: MARK J. EMTER, a single person  
GRANTEE: RONALD M. JOHNSON, ROBERT ROBLEE, GEORGE FEISS and ELISABETH FEISS  
LEGAL: PARCEL 1 GOVERNMENT LOT 2 OF SECTION 31, TOWNSHIP 7, NORTH, RANGE 5 EAST OF THE WILLAMETTE MERIDIAN, SKAMANIA COUNTY WASHINGTON  
PARCEL 2 GOVERNMENT LOT 1 OF SECTION 31, TOWNSHIP 7, NORTH, RANGE 5 EAST OF THE WILLAMETTE MERIDIAN, SKAMANIA COUNTY WASHINGTON  
TAX PARCEL: 07 00 00 0 6100 00  
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**DEED OF TRUST, ASSIGNMENT OF RENTS AND LEASES AND SECURITY AGREEMENT**

THIS DEED OF TRUST, ASSIGNMENT OF RENTS AND LEASES AND SECURITY AGREEMENT ("Deed of Trust") is granted as of October 23 2006 by MARK J. EMTER, a single person whose mailing address is 1924 Belmont Loop #210, Woodland WA 98674 ("Grantor"), to CASCADE TITLE COMPANY whose address is 869 Commerce Avenue, Longview WA 98632 ("Trustee"), in trust for RONALD M. JOHNSON, ROBERT ROBLEE, GEORGE FEISS and ELISABETH FEISS, whose mailing address is 200 Northeast Pacific Street #200, Seattle WA 98105 ("Lender" or "Grantee" or "Grantees"). Grantor agrees that as used herein, the term "Loan Documents" means the Three Hundred Thousand Dollars (\$300,000.00) Promissory Note executed by Borrower in favor of Beneficiary of even date, ("the Note"), this Deed of Trust, Deeds of Trust on Grantor's Clark and Cowlitz County properties in favor of Grantees, Loan Application and Agreement of October 6, 2006 and all related documents and instruments and any and all modifications, extensions, renewals and replacements thereof. The indebtedness secured by this Deed of Trust may be indexed, adjusted, renewed or renegotiated. Grantor agrees as follows:

1. **CONVEYANCE**. Grantor hereby irrevocably grants, bargains, sells and conveys to Trustee, in trust, with power of sale, all of Grantor's right, title and interest in the real properties legally described as:

**PARCEL 1**

**GOVERNMENT LOT 2 OF SECTION 31, TOWNSHIP 7, NORTH, RANGE 5 EAST OF THE WILLAMETTE MERIDIAN, SKAMANIA COUNTY WASHINGTON;**

**PARCEL 2**

**GOVERNMENT LOT 1 OF SECTION 31, TOWNSHIP 7, NORTH, RANGE 5 EAST OF THE WILLAMETTE MERIDIAN, SKAMANIA COUNTY WASHINGTON**

("Property"), whether now owned or later acquired by Grantor, together with all buildings, structures, improvements, equipment, fixtures and articles of property, now or later attached to, or used or adapted for use in the ownership, operation or maintenance of, the Property; all tenements, hereditaments and appurtenances, now or later in any way appertaining to the Property; and all leasehold interests, rents, payments, issues and profits derived from or in any way connected with the Property including all insurance and condemnation proceeds. This Deed of Trust also constitutes a security agreement under the Uniform Commercial Code (as adopted in the State of Washington) granting to Lender a security interest in the property, both tangible and intangible, described in this paragraph, to the extent such property shall be deemed to be personal property or fixtures. Grantor represents and warrants to Lender that THE REAL

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PROPERTY CONVEYED BY THIS DEED OF TRUST IS NOT USED PRINCIPALLY FOR AGRICULTURAL PURPOSES. In addition to the foregoing, the Grantor has conveyed other properties located in Skamania and Cowlitz Counties for security purposes.

2. **ASSIGNMENT OF RENTS.**

(a) **Assignment.** Grantor further assigns to Lender all of Grantor's interest in all existing and future leases, licenses and other agreements for the use or occupancy of the Property ("Contracts"), including the immediate and continuing right to collect, in either Grantor's or Lender's name, all rents, receipts, income, accounts and other payments due or to become due under the Contracts ("Payments"). As long as there is no default under the Agreement or this Deed of Trust, Grantor is granted a license to collect the Payments, but such license shall not constitute Lender's consent to Grantor's use of the Payments in any bankruptcy proceeding.

(b) **Disclaimer.** Nothing contained in this Deed of Trust shall be construed as obligating Lender or any receiver to take any action to enforce any provision of the Contracts, expend any money, incur any expense or perform any obligation under the Contracts. Lender's duties are expressly limited to giving of proper credit for all Payments received by it.

3. **SECURED OBLIGATIONS.** This Deed of Trust secures performance of (i) each agreement of Grantor contained in the Loan Documents and/or this Deed of Trust, (ii) payment of the sum of Three Hundred Thousand Dollars (\$300,000.00) with interest thereon according to the terms of the Note, (iii) Performance and or payment of all of Grantor's other obligations contained in the Loan Documents and (iv) all other existing and future obligations of Grantor to Lender if the existing or future obligation by its terms states that it is secured by this Deed of Trust (collectively the "Secured Obligations"), including all renewals, modifications and extensions thereof and substitutions therefor, it being the express intent of Grantor and Lender that this Deed of Trust and the estate held by Trustee hereunder shall continue in effect notwithstanding that from time-to-time no Secured Obligations of Grantor to Lender may exist, and shall survive as security for all new or additional Secured Obligations of Grantor to Lender from time-to-time arising. Nothing contained in this Deed of Trust shall be construed as obligating Lender to make any future advance to Grantor.

4. **AFFIRMATIVE COVENANTS.** Grantor shall, unless waived in writing by Lender:

(a) **Maintenance of Property and Title.** Maintain and preserve the Property in good condition and repair, and not commit or permit any waste thereof; complete any improvement which may be constructed on the Property; promptly restore any improvement which may be damaged or destroyed; and maintain the Property free and clear of all liens and encumbrances other than the encumbrance of this Deed of Trust and any lien for taxes or assessments not delinquent. Failure to maintain and preserve the Property in good condition and repair shall constitute "waste" by the Grantor as that term is used in RCW 61.24.1 00.

(b) **Compliance with Laws.** Comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting the Property;

(c) **Obligations under Loan Documents.** Perform all obligations to be performed by Grantor under the Loan Documents;

(d) **Payment of Debts and Taxes/Insurance/Tax Reserve.** Pay before due all obligations secured by the Property; all taxes, assessments and governmental liens or charges levied against the Property; and all claims for labor, materials, supplies or otherwise which, if unpaid, might become a lien or charge upon the Property. If Grantor fails to pay when due any obligations related to the property such as taxes, insurance or liens or other charges against the Property, Lender may pay the same, and the amount so paid with default interest at the interest rate set forth in the Note secured hereby shall be added to and become a part of the debt secured by this Deed of Trust.

(e) **Insurance.**

(i) **Casualty.** Insure continuously with premiums prepaid, with financially sound and reputable insurers acceptable to Lender, all improvements on the Property against all risks, casualties and losses through standard fire and extended coverage insurance or otherwise, including, without limitation, insurance against fire, theft, casualty, vandalism, loss of rents, business interruption and, if required by Lender, earthquake; and any other risk Lender may reasonably request. The insurance policies shall be in an aggregate amount of not less than the full replacement cost of all improvements on the Property, including the cost of demolition and removal of debris;

(ii) **Flood.** Obtain flood insurance if the Property is located in a designated flood hazard area (as determined by Lender, with such determination to be made at Grantors expense) and where federally subsidized flood insurance is available.

(iii) **Liability.** Maintain comprehensive general public liability insurance insuring against liability from risks associated with the use, ownership and operation of the property in an amount deemed sufficient by Lender.

(iv) **Title.** Provide to Lender an A.L.T.A. form of lender's extended coverage title insurance for the full amount of Lender's commitment under the Agreement insuring the first lien priority of this Deed of Trust. Such policy shall be issued by a title company acceptable to Lender. The policy shall contain such endorsements as Lender may reasonably request.

(v) **Loss Payee.** All of the above noted policies (i) through (iii) shall name Lender as loss payee under a Lender loss payable endorsement in form satisfactory to Lender. All policies shall provide that they cannot be cancelled with less than thirty- (30) day's prior written notice to Lender and Lender's opportunity to cure. All deductibles shall be in amounts acceptable to Lender. The amounts collected under the insurance policies shall be paid directly to Lender and may be applied against the Secured Obligations in any manner that Lender determines, and such application shall not cause discontinuance of any proceedings to foreclose upon this Deed of Trust. In the event of foreclosure, all of Grantor's rights in the insurance policies shall pass to purchaser at the foreclosure sale. Grantor shall provide evidence that such evidence is in place from time to time as reasonably requested by Lender.

(f) **Hazardous Waste.** Notify Lender within twenty four (24) hours of any release of a reportable quantity of any Hazardous Substance, or of the receipt by Grantor of any notice, order or communication from any governmental authority which relates to the existence or potential for environmental pollution of any kind existing on the Property, or results from the use of the Property or any surrounding property. Grantor shall indemnify, defend and hold Lender and its successors and assigns harmless from and against any and all claims, demands, penalties, fees, liens, damages, losses, expenses, and liabilities arising out of or in any way connected with any alleged or actual past or future presence on or under the Property of any Hazardous Substance from any cause whatsoever; it being intended that Grantor shall be strictly and absolutely liable to Lender without regard to any fault by Grantor; provided that this indemnification shall not apply to any Hazardous Substances which originated on or under the Property after the date Lender or any third party acquires fee title to the Property by foreclosure or deed in lieu of foreclosure. "Hazardous Substances" shall mean any substance or material which may be hazardous to the health or safety of any person; including without limitation any substance or material which is now or hereafter becomes regulated under any federal, state, or local statute, ordinance, rule, regulation or other law relating to environmental protection, contamination or cleanup; and

(g) **Site Visits, Observation and Testing.** Permit Lender and its agents and representatives, at any reasonable time, to enter and visit the Property for the purpose of performing appraisals and/or inspecting the Property, taking and removing soil, groundwater and other samples, and conducting tests on any part of the Property. Grantor agrees that Lender neither has nor undertakes any duty or obligation to examine or inspect the Property, and that any inspection by Lender is solely for the purpose of protecting its security and its rights under this Deed of Trust. If Lender believes it has an obligation to disclose any report or findings made as a result of its inspection of the Property, then Lender may make such disclosure.

(h) Costs and Expenses. Pay, reimburse and indemnify Lender for all of Lender's reasonable costs and expenses incurred in connection with the enforcement of Lender's rights and Grantor's obligations under this Deed of Trust, foreclosing upon this Deed of Trust, defending any action or proceeding purporting to affect the rights or duties of Lender or Trustee under this Deed of Trust, or managing the Property and collecting the Payments, including, without limitation, all reasonable attorneys' fees, legal expenses, collection costs, costs of title search, and trustee's and receiver's fees.

5. **NEGATIVE COVENANTS.** Grantor shall not, without Lender's prior written consent:

(a) Payments. Accept or collect any rent or other Payments more than one month in advance of the due date;

(b) Contracts. Terminate, modify or amend any provision of the Contracts or enter into a Contract with a term, including options or renewal rights, of more than three (3) years and/or containing an option to purchase;

(c) Use. Change the present use or intended use of the Property, or scope of the development or improvements of the Property, or permit or consent to any restriction that would prevent or otherwise impair the use or development of the Property, or permit thereon the generation, processing, storage or disposal of any Hazardous Substance; or

(d) Restrictions on Conveyances. Cause, permit or allow voluntary or involuntary encumbrance or sale of the Property or of any interest in the Property without the prior written consent of Beneficiary. Any violation of this paragraph shall render be deemed a default under the Note and make the same due and payable immediately without notice.

6. **EMINENT DOMAIN.** In the event any portion of the Property is taken through eminent domain, the amount of the award to which Grantor is entitled shall be applied to the Secured Obligations.

7. **PROTECTION OF LENDER'S INTEREST.** If Grantor shall fail to pay any amounts which may become a lien on the Property, pursuant to Section 4. (d), or fail to maintain adequate insurance on the Property, as required by Section 4. (e), Lender may at its sole option pay such obligations and/or obtain such insurance.

8. **ADDITIONS TO SECURED OBLIGATIONS.** Any payments required under Sections 4. (d), 4. (e), 4. (f), 4. (g) or 4. (h), but not made when demanded, shall immediately be deemed added to the Secured Obligations, and shall accrue interest at the highest rate of interest accruing from time to time under the Secured Obligations.

9. **PARTIAL RECONVEYANCE PROVISION.** The Grantor shall be entitled to a reconveyance upon payment of \$90,000.00 for each parcel secured hereby.

10. **RECONVEYANCE.** Trustee shall reconvey such portion of the Property to the person entitled thereto upon written request of Lender, or upon satisfaction of the Secured Obligations and written request for reconveyance made by Lender or any person interested in the Property, accompanied by Trustee's standard reconveyance fee, which fee shall be Grantor's obligation.

11. **SUCCESSOR TRUSTEE.** In the event of death, incapacity, disability, dissolution, resignation or refusal to act by the Trustee, Lender may appoint a successor trustee and, upon the recording of such appointment in the records of the county in which this Deed of Trust is recorded, the successor trustee shall be vested with all powers of the original Trustee.

12. **EVENTS OF DEFAULT.** The occurrence of any of the following events shall, at Lender's option, and at any time without regard to any previous knowledge on Lender's part, constitute a default under the terms of this Deed of Trust, the Agreement, the Secured Obligations, and all related loan documents:



(a) Non-payment of Principal or Interest. Any payment of principal or interest on the Secured Obligations is not made when due; or

(b) Failure to Perform. Any tax, assessment, insurance premium, lien, encumbrance or other charge against the Property is not paid when due; or any other term, covenant or agreement of Grantor contained in this Deed of Trust, the Agreement, or in any other document with Lender, or in which Grantor grants a security interest in the Property, is not promptly performed or satisfied.

(c) Other Defaults. Any breach or failure to perform by Grantor of the covenants, agreements and conditions in the Loan Documents.

13. **REMEDIES UPON DEFAULT.** If any default occurs and subject to any applicable notice and cure period provided for in the applicable Loan Document, Lender may, at its option:

(a) Accelerate. Declare any or all of the Secured Obligations, together with all accrued interest, to be immediately due and payable without presentment, demand, protest or notice of any kind, all of which are expressly waived by Grantor;

(b) Payments. Pay such sums as may be necessary to obtain a current appraisal, to inspect and test the Property, and to pay any tax, assessment, insurance premium, lien, encumbrance or other charge against the Property, all without prejudice to Lender's right to accelerate the Secured Obligations and foreclose upon this Deed of Trust. Grantor shall reimburse Lender upon demand, for all such amounts paid by Lender, with interest thereon from the date of such payment at the highest rate that is, from time to time, applicable on any of the Secured Obligations. All unreimbursed amounts shall be added to and become a part of the Secured Obligations;

(c) Collection of Payments. Terminate the license granted to Grantor to collect the Payments; take possession of, manage and operate the Property under the terms of the Contracts; and demand and collect all Payments, including endorsing in the name of Grantor any check, draft or other instrument given as payment, either by itself or through an agent or judicially-appointed receiver. The Payments shall be applied first to payment of the costs of managing the Property and collecting the Payments, and then to the Secured Obligations;

(d) Trustee's Sale. Direct the Trustee, upon written request, to sell the Property and apply the sale proceeds in accordance with Washington's Deed of Trust Act (RCW 61.24.01 0, et seq.). Any person, except Trustee, may bid at the Trustee's sale; and

(e) Deficiency Judgment. Seek and obtain a deficiency judgment pursuant to RCW 61.24.100 following the completion of a judicial foreclosure or a trustee's sale of all or a portion of the security for the obligations secured by this Deed of Trust. The power of sale conferred by this Deed of Trust and by the Deed of Trust Act of the State of Washington is not an exclusive remedy and therefore Lender may cause this Deed of Trust to be foreclosed as a mortgage.

(f) Other Remedies. Pursue all other available legal and equitable remedies, including, without limitation, foreclosing upon this Deed of Trust as a mortgage. These remedies are cumulative and not exclusive.

Grantor expressly waives any defense or right, in any action or proceeding in connection with the Secured Obligations, that Lender must first resort to any other security or person.

14. **FIXTURE FILING.** This Deed of Trust also constitutes a fixture filing financing statement pursuant to the Uniform Commercial Code of the State of Washington and RCW 62A.9A- 502(c). The Grantor is the Debtor, the Lender is the Secured Party, and their respective addresses for the purpose of this fixture filing and the giving of any notice under or in connection with this Deed of Trust is as first stated above. The mailing address of the Lender is as shown at the top of this Deed of Trust. Grantor is not a registered organization within the meaning of the UCC, and does not have an "Organizational Number." This fixture

financing statement covers items of property, which are or are to become fixtures with respect to the real property described herein.

15. **UNIFORM COMMERCIAL CODE SECURITY AGREEMENT.** This Deed of Trust also constitutes a security agreement pursuant to the Uniform Commercial Code of the State of Washington and (RCW 62.9-402-6) of any of the Property which is not real property or effectively made part of the Property by the provisions of this Deed of Trust. The Security Agreement shall cover all property described on any Uniform Commercial Code Financing Statement naming Grantor as Debtor and Lender as Secured Party. With respect to the security interest, Lender shall have all of the rights and remedies of a secured party under the Uniform Commercial Code. Lender is granted the right on behalf of Grantor to execute any Financing Statement and file the same in the office where such instrument is required to be filed.

16. **SAVINGS CLAUSE.** Notwithstanding anything to the contrary set forth herein or in any other Loan Document, this Deed of Trust shall not secure the obligations of Grantor or other obligor under that certain Hazardous Substance Indemnity dated as of even date. All of such obligations (and the substantial equivalents thereof) shall constitute the separate, unsecured full recourse obligations of Grantor or other obligor and shall not be deemed to be evidenced by the Note or secured by this Deed of Trust.

17. **WAIVER.** No waiver by Lender of any deviation by Grantor from full performance of this Deed of Trust or the Secured Obligations, as the case may be, shall constitute a waiver of Lender's right to require prompt payment or to assert any other right or remedy provided for in this Deed of Trust or the Secured Obligations on the basis of the same or similar failure to perform.

18. **MODIFICATION.** This Deed of Trust cannot be waived, changed or modified in any manner except by an instrument in writing signed by the party against whom enforcement of any waiver, change, discharge or termination is sought.

19. **NOTICE.** Any notice to Grantor under this Deed of Trust shall be to the address noted in this instrument or such other address as may be designated by Grantor in writing, and shall be deemed to have been given on the date delivered in case of personal delivery, or, if mailed three (3) days after the postmark thereof.

20. **STATUTE OF LIMITATIONS.** To the full extent Grantor may do so, Grantor hereby waives the right to assert any statute of limitations as a defense to the enforcement of the lien of this Deed of Trust or to any action brought to enforce the Note or any other obligation secured by this Deed of Trust.

21. **CAPTIONS; NUMBER; GENDER.** The captions and headings of the paragraphs and sections of this Deed of Trust are for convenience only and are not used to interpret or define the provisions hereof. This Deed of Trust shall be construed so that wherever applicable the use of the singular number shall include the plural number, and vice versa and the use of any gender shall be applicable to all genders.

22. **TIME.** Time is of the essence in connections with the obligations of the Grantor herein

23. **SUCCESSORS/APPLICABLE LAW.** This Deed of Trust shall be binding upon the Grantor and the Grantor's successors and assigns. If there is more than one Grantor, then the obligations of each Grantor shall be joint and several. The enforcement of this Deed of Trust and Lender's rights hereunder shall be governed by and construed in accordance with the laws of the State of Washington.

SIGNATURE PAGE TO FOLLOW

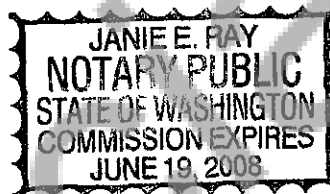
Mark J. Emter  
MARK J. EMTER

STATE OF WASHINGTON )  
COUNTY OF Cowlitz ) ss.

I certify that I know or have satisfactory evidence that Mark J. Emter are the persons who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he signed said instrument as his free and voluntary act for the uses and purposes mentioned in the instrument.

Dated: October 23 2006

Janie E. Ray  
(Print Notary Name) Janie E. Ray  
Notary Public in and for the State of Washington  
residing at Castle Rock  
My appointment expires: 6-19-2008



Unofficial Copy



## REQUEST FOR FULL RECONVEYANCE

**TO TRUSTEE:**

The undersigned is the legal owner and holder of the obligations secured by this Deed of Trust. All obligations under the this Deed of Trust have been paid or otherwise satisfied and you are hereby requested and directed to reconvey, without warranty, to the person or persons entitled thereto, all of the estate now held by you hereunder.

Dated \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Unofficial  
Copy

DIC # 2006163474  
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