

**RETURN ADDRESS:**  
WEST COAST BANK  
WEST COAST CREDIT  
CENTER  
P.O. BOX 8000  
WILSONVILLE, OR 97070

120400



## DEED OF TRUST

**DATE:** May 9, 2008

Reference # (if applicable): \_\_\_\_\_

Additional on page \_\_\_\_\_

Grantor(s):

1. Harteloo, Gerald W.
2. Harteloo, Linda K.

Grantee(s)

1. WEST COAST BANK
2. TOTTEN, INC., Trustee

Legal Description: Lot(s) 2, of SP3-346

Additional on page <sup>1</sup>/<sub>2</sub>

Assessor's Tax Parcel ID#: 02 05 20 0 0 0110 05, and 02 05 20 0 0 0110 00

**MAXIMUM LIEN.** The lien of this Deed of Trust shall not exceed at any one time \$100,000.00.

**THIS DEED OF TRUST** is dated May 9, 2008, among Gerald W. Harteloo and Linda K. Harteloo, husband and wife ("Grantor"); WEST COAST BANK, whose mailing address is East Vancouver Branch, c/o West Coast Credit Center, 25977 SW Canyon Creek Rd Ste J, Wilsonville, OR 97070 (referred to below sometimes as "Lender" and sometimes as "Beneficiary"); and TOTTEN, INC., whose mailing address is 500 E. Broadway, Suite 100, Vancouver, WA 98660 (referred to below as "Trustee").



Loan No: 112000114

# DEED OF TRUST (Continued)

Page 2

**CONVEYANCE AND GRANT.** For valuable consideration, Grantor conveys to Trustee in trust with power of sale, right of entry and possession and for the benefit of Lender as Beneficiary, all of Grantor's right, title, and interest in and to the following described real property, together with all existing or subsequently erected or affixed buildings, improvements and fixtures; all easements, rights of way, and appurtenances; all water, water rights and ditch rights (including stock in utilities with ditch or irrigation rights); and all other rights, royalties, and profits relating to the real property, including without limitation all minerals, oil, gas, geothermal and similar matters, (the "Real Property") located in Skamania County, State of Washington:

See Exhibit "A", which is attached to this Deed of Trust and made a part of this Deed of Trust as if fully set forth herein.

The Real Property or its address is commonly known as 362 Linda Ln, Washougal, WA 98671. The Real Property tax identification number is 02 05 20 0 0 0110 05, and 02 05 20 0 0 0110 00.

**REVOLVING LINE OF CREDIT.** This Deed of Trust secures the Indebtedness including, without limitation, a revolving line of credit, with a variable rate of interest, which obligates Lender to make advances to Borrower up to the credit limit so long as Borrower complies with all the terms of the Credit Agreement and the line of credit has not been terminated, suspended or cancelled; the Credit Agreement allows negative amortization. Such advances may be made, repaid, and remade from time to time, subject to the limitation that the total outstanding balance owing at any one time, not including finance charges on such balance at a fixed or variable rate or sum as provided in the Credit Agreement, any temporary overages, other charges, and any amounts expended or advanced as provided in this paragraph, shall not exceed the Credit Limit as provided in the Credit Agreement. It is the intention of Grantor and Lender that this Deed of Trust secures the balance outstanding under the Credit Agreement from time to time from zero up to the Credit Limit as provided in the Credit Agreement and any intermediate balance. Funds may be advanced by Lender, repaid, and subsequently readvanced. The unpaid balance of the revolving line of credit may at certain times be lower than the amount shown or zero. A zero balance does not terminate the line of credit or terminate Lender's obligation to advance funds to Borrower. Therefore, the lien of this Deed of Trust will remain in full force and effect notwithstanding any zero balance.

Grantor hereby assigns as security to Lender, all of Grantor's right, title, and interest in and to all leases, Rents, and profits of the Property. This assignment is recorded in accordance with RCW 65.08.070; the lien created by this assignment is intended to be specific, perfected and choate upon the recording of this Deed of Trust. Lender grants to Grantor a license to collect the Rents and profits, which license may be revoked at Lender's option and shall be automatically revoked upon acceleration of all or part of the Indebtedness.

**THIS DEED OF TRUST, INCLUDING THE ASSIGNMENT OF RENTS AND THE SECURITY INTEREST IN THE RENTS AND PERSONAL PROPERTY, IS GIVEN TO SECURE (A) PAYMENT OF THE INDEBTEDNESS AND (B) PERFORMANCE OF EACH OF GRANTOR'S AGREEMENTS AND OBLIGATIONS UNDER THIS DEED OF TRUST. THIS DEED OF TRUST IS GIVEN AND ACCEPTED ON THE FOLLOWING TERMS:**

**GRANTOR'S WAIVERS.** Grantor waives all rights or defenses arising by reason of any "one action" or "anti-deficiency" law, or any other law which may prevent Lender from bringing any action against Grantor, including a claim for deficiency to the extent Lender is otherwise entitled to a claim for deficiency, before or after Lender's commencement or completion of any foreclosure action, either judicially or by exercise of a power of sale.

**PAYMENT AND PERFORMANCE.** Except as otherwise provided in this Deed of Trust, Borrower shall pay to Lender all Indebtedness secured by this Deed of Trust as it becomes due, and Borrower and Grantor shall perform all their respective obligations under the Credit Agreement, this Deed of Trust, and the Related Documents.

**POSSESSION AND MAINTENANCE OF THE PROPERTY.** Borrower and Grantor agree that Borrower's and Grantor's possession and use of the Property shall be governed by the following provisions:

**Possession and Use.** Until the occurrence of an Event of Default, Grantor may (1) remain in possession and control of the Property; (2) use, operate or manage the Property; and (3) collect the Rents from the Property (this privilege is a license from Lender to Grantor automatically revoked upon default). The following provisions relate to the use of the Property or to other limitations on the Property. The Real Property is not used principally for agricultural purposes.

**Duty to Maintain.** Grantor shall maintain the Property in good condition and promptly perform all repairs, replacements, and maintenance necessary to preserve its value.

**Hazardous Substances.** Grantor represents and warrants that the Property never has been, and never will be so long as this Deed of Trust remains a lien on the Property, used for the generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Substance in violation of any Environmental Laws. Grantor authorizes Lender and its agents to enter upon the Property to make such inspections and tests as Lender may deem appropriate to determine compliance of the Property with this section of the Deed of Trust. Grantor hereby (1) releases and waives any future claims against Lender for indemnity or contribution in the event Grantor becomes liable for cleanup or other costs under any such laws, and (2) agrees to indemnify, defend, and hold harmless Lender against any and all claims and losses resulting from a breach of this paragraph of the Deed of Trust. This obligation to indemnify and defend shall survive the payment of the Indebtedness and the satisfaction of this Deed of Trust.

**DUE ON SALE - CONSENT BY LENDER.** Lender may, at Lender's option, (A) declare immediately due and payable all sums secured by this Deed of Trust or (B) increase the interest rate provided for in the Credit Agreement or other document evidencing the Indebtedness and impose such other conditions as Lender deems appropriate, upon the sale or transfer, without Lender's prior written consent, of all or any part of the Real Property, or any interest in the Real Property. A "sale or transfer" means the conveyance of Real Property or any right, title or interest in the Real Property; whether legal, beneficial or equitable; whether voluntary or involuntary; whether by outright sale, deed, installment sale contract, land contract, contract for deed, leasehold interest with a term greater than three (3) years, lease-option contract, or by sale, assignment, or transfer of any beneficial interest in or to any land trust holding title to the Real Property, or by any other method of conveyance of an interest in the Real Property. However, this option shall not be exercised by Lender if such exercise is prohibited by federal law or by Washington law.

**TAXES AND LIENS.** The following provisions relating to the taxes and liens on the Property are part of this Deed of Trust:



**DEED OF TRUST  
(Continued)**

Loan No: 112000114

Page 3

**Payment.** Grantor shall pay when due (and in all events prior to delinquency) all taxes, special taxes, assessments, charges (including water and sewer), fines and impositions levied against or on account of the Property, and shall pay when due all claims for work done on or for services rendered or material furnished to the Property. Grantor shall maintain the Property free of all liens having priority over or equal to the interest of Lender under this Deed of Trust, except for the lien of taxes and assessments not due and except as otherwise provided in this Deed of Trust.

**PROPERTY DAMAGE INSURANCE.** The following provisions relating to insuring the Property are a part of this Deed of Trust.

**Maintenance of Insurance.** Grantor shall procure and maintain policies of fire insurance with standard extended coverage endorsements on a replacement basis for the full insurable value covering all Improvements on the Real Property in an amount sufficient to avoid application of any coinsurance clause, and with a standard mortgagee clause in favor of Lender, together with such other hazard and liability insurance as Lender may reasonably require. Policies shall be written in form, amounts, coverages and basis reasonably acceptable to Lender. Grantor, upon request of Lender, will deliver to Lender from time to time the policies or certificates of insurance in form satisfactory to Lender, including stipulations that coverages will not be cancelled or diminished without at least ten (10) days prior written notice to Lender. Each insurance policy also shall include an endorsement providing that coverage in favor of Lender will not be impaired in any way by any act, omission or default of Grantor or any other person. Should the Real Property be located in an area designated by the Director of the Federal Emergency Management Agency as a special flood hazard area, Grantor agrees to obtain and maintain Federal Flood Insurance, if available, within 45 days after notice is given by Lender that the Property is located in a special flood hazard area, for the maximum amount of Borrower's credit line and the full unpaid principal balance of any prior liens on the property securing the loan, up to the maximum policy limits set under the National Flood Insurance Program, or as otherwise required by Lender, and to maintain such insurance for the term of the loan.

**LENDER'S EXPENDITURES.** If Grantor fails (A) to keep the Property free of all taxes, liens, security interests, encumbrances, and other claims, (B) to provide any required insurance on the Property, or (C) to make repairs to the Property then Lender may do so. If any action or proceeding is commenced that would materially affect Lender's interests in the Property, then Lender on Grantor's behalf may, but is not required to, take any action that Lender believes to be appropriate to protect Lender's interests. All expenses incurred or paid by Lender for such purposes will then bear interest at the rate charged under the Credit Agreement from the date incurred or paid by Lender to the date of repayment by Grantor. All such expenses will become a part of the Indebtedness and, at Lender's option, will (A) be payable on demand; (B) be added to the balance of the Credit Agreement and be apportioned among and be payable with any installment payments to become due during either (1) the term of any applicable insurance policy; or (2) the remaining term of the Credit Agreement; or (C) be treated as a balloon payment which will be due and payable at the Credit Agreement's maturity.

**WARRANTY; DEFENSE OF TITLE.** The following provisions relating to ownership of the Property are a part of this Deed of Trust:

**Title.** Grantor warrants that: (a) Grantor holds good and marketable title of record to the Property in fee simple, free and clear of all liens and encumbrances other than those set forth in the Real Property description or in any title insurance policy, title report, or final title opinion issued in favor of, and accepted by, Lender in connection with this Deed of Trust, and (b) Grantor has the full right, power, and authority to execute and deliver this Deed of Trust to Lender.

**Defense of Title.** Subject to the exception in the paragraph above, Grantor warrants and will forever defend the title to the Property against the lawful claims of all persons.

**EVENTS OF DEFAULT.** Grantor will be in default under this Deed of Trust if any of the following happen: (A) Grantor commits fraud or makes a material misrepresentation at any time in connection with the Credit Agreement. This can include, for example, a false statement about Borrower's or Grantor's income, assets, liabilities, or any other aspects of Borrower's or Grantor's financial condition. (B) Borrower does not meet the repayment terms of the Credit Agreement. (C) Grantor's action or inaction adversely affects the collateral or Lender's rights in the collateral. This can include, for example, failure to maintain required insurance, waste or destructive use of the dwelling, failure to pay taxes, death of all persons liable on the account, transfer of title or sale of the dwelling, creation of a senior lien on the dwelling without Lender's permission, foreclosure by the holder of another lien, or the use of funds or the dwelling for prohibited purposes.

**RIGHTS AND REMEDIES ON DEFAULT.** Upon the occurrence of any Event of Default under any indebtedness, or should Borrower or Grantor fail to comply with any of Borrower's or Grantor's obligations under this Deed of Trust, Trustee or Lender may exercise any one or more of the following rights and remedies:

**Election of Remedies.** All of Lender's rights and remedies will be cumulative and may be exercised alone or together. An election by Lender to choose any one remedy will not bar Lender from using any other remedy. If Lender decides to spend money or to perform any of Grantor's obligations under this Deed of Trust, after Grantor's failure to do so, that decision by Lender will not affect Lender's right to declare Grantor in default and to exercise Lender's remedies.

**Accelerate Indebtedness.** Lender shall have the right at its option to declare the entire Indebtedness immediately due and payable.

**Foreclosure.** With respect to all or any part of the Real Property, the Trustee shall have the right to exercise its power of sale and to foreclose by notice and sale, and Lender shall have the right to foreclose by judicial foreclosure, in either case in accordance with and to the full extent provided by applicable law.

**Other Remedies.** Trustee or Lender shall have any other right or remedy provided in this Deed of Trust or the Credit Agreement or available at law or in equity.

**Sale of the Property.** To the extent permitted by applicable law, Borrower and Grantor hereby waives any and all rights to have the Property marshalled. In exercising its rights and remedies, the Trustee or Lender shall be free to sell all or any part of the Property together or separately, in one sale or by separate sales. Lender shall be entitled to bid at any public sale on all or any portion of the Property.

**Attorneys' Fees; Expenses.** If Lender institutes any suit or action to enforce any of the terms of this Deed of Trust, Lender shall be entitled to recover such sum as the court may adjudge reasonable as attorneys' fees at trial and upon any appeal. Whether or not any court action is involved, and to the extent not prohibited by law, all reasonable expenses Lender incurs that in Lender's opinion are necessary at any time for the protection of its interest or the enforcement of its rights shall become a part of the Indebtedness payable on demand and shall bear





# DEED OF TRUST (Continued)

Loan No: 112000114

Page 4

interest at the Credit Agreement rate from the date of the expenditure until repaid. Expenses covered by this paragraph include, without limitation, however subject to any limits under applicable law, Lender's attorneys' fees and Lender's legal expenses, whether or not there is a lawsuit, including attorneys' fees and expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services, the cost of searching records, obtaining title reports (including foreclosure reports), surveyors' reports, and appraisal fees, title insurance, and fees for the Trustee, to the extent permitted by applicable law. Grantor also will pay any court costs, in addition to all other sums provided by law.

**GOVERNING LAW.** The interest rate and other terms of the credit evidenced or secured by this instrument (the "Credit") shall be governed by, and this instrument shall be governed by, construed and enforced in accordance with, federal laws and the laws of the State of Oregon, without regard to principles of conflicts of law, except that (1) procedural matters related to the perfection and enforcement of the rights and remedies of the Beneficiary of any Deed of Trust against any real property securing the Credit shall be governed by the laws of the state in which the real property is located; and (2) to the extent governed by state law, matters relating to perfection and priority of any security interest in personal property securing the Credit shall be governed by the laws of the state where the person granting that security interest is located. This instrument has been accepted by Lender in the State of Oregon.

**CHOICE OF VENUE.** If there is a lawsuit, you (Borrower, any Guarantor, and the Grantor under any Deed of Trust or security agreement) agree upon Lender's request to submit to the jurisdiction of the courts of the state and county in which you reside or in which you signed this instrument, whichever Lender chooses, and that venue is proper in such courts, provided that any judicial foreclosure action relating to any real property security shall be commenced where the real property, or some part thereof, is located.

**ARBITRATION.** Lender, and each of the undersigned, hereby agree that all disputes, claims and controversies between them, arising from this agreement or otherwise, including without limitation contract and tort disputes, shall be arbitrated pursuant to the Rules of the American Arbitration Association in effect at the time the claim is filed, upon the request of any party. All parties hereby agree that the arbitrator in any arbitration proceeding shall not conduct class arbitration; that is, all parties agree that the arbitrator shall not allow any party to serve as a representative, or as a private attorney general, or in any other representative capacity for others in the arbitration. No act to take or dispose of any collateral or property shall constitute a waiver of this arbitration agreement or be prohibited by this arbitration agreement. This includes, without limitation, obtaining injunctive relief or a temporary restraining order; foreclosing by notice and sale under any deed of trust or mortgage; obtaining a writ of attachment or imposition of a receiver; or exercising any rights relating to personal property, including taking or disposing of such property with or without judicial process pursuant to Article 9 of the Uniform Commercial Code. Any disputes, claims, or controversies concerning the lawfulness or reasonableness of any act, or exercise of any right, concerning any collateral or property, including any claim to rescind, reform, or otherwise modify any agreement relating to the collateral or property, shall also be arbitrated, provided however, that no arbitrator shall have the right or power to enjoin or restrain any act of any party. Judgment upon any award rendered by any arbitrator may be entered in any court having jurisdiction. Nothing in this arbitration agreement shall preclude any party from seeking equitable relief from a court of competent jurisdiction. The statute of limitations, estoppel, waiver, laches, and similar doctrines which would otherwise be applicable in an action brought by a party shall be applicable in any arbitration proceeding, and the commencement of an arbitration proceeding shall be deemed the commencement of an action for these purposes. The Federal Arbitration Act shall apply to the construction, interpretation, and enforcement of this arbitration provision.

**GRANTOR'S AUTHORIZATION TO LENDER.** Grantor authorizes Lender, without notice or consent, from time to time: (A) to make one or more additional secured or unsecured loans to Borrower, to lease equipment or other goods to Borrower, or otherwise to extend additional credit to Borrower; (B) to alter, compromise, renew, extend, accelerate, or otherwise change one or more times the time for payment or other terms of the Indebtedness or any part of the Indebtedness, including increases and decreases of the rate of interest on the Indebtedness; extensions may be repeated and may be for longer than the original loan term; (C) to take and hold other security for the payment of the Indebtedness, and exchange, enforce, waive, subordinate, fail or decide not to perfect, and release any such security, with or without the substitution of new collateral; (D) to release, substitute, agree not to sue, or deal with any one or more of Borrower's sureties, endorser, grantors, pledgors, or guarantors on any terms or in any manner Lender may choose; (E) to determine how, when and what application of payments and credits shall be made on the Indebtedness; (F) to apply such security and direct the order or manner of sale thereof, including without limitation, any non judicial sale permitted by the terms of the controlling security agreement or deed of trust, as Lender in its discretion may determine; (G) to sell, transfer, assign or grant participations in all or any part of the Indebtedness; and (H) to assign or transfer this Deed of Trust in whole or in part.

**ADDITIONAL REPRESENTATIONS AND WARRANTIES.** In addition to any other representations and warranties provided by this Deed of Trust, Grantor represents and warrants to Lender that (A) no representations or agreements of any kind have been made to Grantor which would limit or qualify in any way the terms of this Deed of Trust; and (B) Grantor agrees to keep adequately informed by such means Grantor has established for obtaining information about Borrower's financial condition, of any facts, events, or circumstances which might in any way affect Grantor's risks under this Deed of Trust.

**ADDITIONAL WAIVERS.** Except as prohibited by applicable law, in addition to any other waivers provided by the Deed of Trust, Grantor waives any right to require Lender (A) to continue lending money or to extend other credit to Borrower; (B) to make any presentment, protest, demand, or notice of any kind, including notice of any nonpayment of the Indebtedness or of any nonpayment related to any collateral, or notice of any action or nonaction on the part of Borrower, Lender, any surety, endorser, grantor, pledgor, or guarantor in connection with the Indebtedness or in connection with the creation of new or additional loans or obligations; (C) to resort for payment or to proceed directly or at once against any person, including Borrower, or any surety, endorser, grantor, pledgor, or guarantor; (D) to proceed directly against or exhaust any collateral held by Lender from Borrower, or pledgor or any other grantor, or guarantor, or any other person; (E) to give notice of the terms, time, and place of any public or private sale of personal property security held by Lender from Borrower or to comply with any other applicable provisions of the Uniform Commercial Code; (F) to pursue any other remedy within Lender's power; or (G) to commit any act or omission of any kind, or at any time, with respect to any matter whatsoever.

Grantor also waives any and all rights or defenses based on suretyship or impairment of collateral including, but not limited to, any rights or defenses arising by reason of (A) any election of remedies by Lender which destroys or otherwise adversely affects Grantor's subrogation rights or Grantor's rights to proceed against Borrower for reimbursement, including without limitation, any loss of rights Grantor may suffer by reason of any law limiting, qualifying, or discharging the Indebtedness; (B) any disability or other defense of Borrower, or pledgor, or any other grantor, or guarantor, or of any other person, or by reason of the cessation of Borrower's liability from any cause whatsoever, other than payment in full in legal tender, of the Indebtedness; (C) any right to claim discharge of the Indebtedness on the basis of unjustified impairment of any collateral for the Indebtedness; (D) any statute of limitations,



# DEED OF TRUST (Continued)

Loan No: 112000114

Page 5

if at any time any action or suit brought by Lender against Grantor is commenced, there is outstanding Indebtedness which is not barred by any applicable statute of limitations; or (E) any defenses given to grantors at law or in equity other than actual payment and performance of the Indebtedness. If payment is made by Borrower, whether voluntarily or otherwise, or by any third party, on the Indebtedness and thereafter Lender is forced to remit the amount of that payment to Borrower's trustee in bankruptcy or to any similar person under any federal or state bankruptcy law or law for the relief of debtors, the Indebtedness shall be considered unpaid for the purpose of the enforcement of this Deed of Trust.

Grantor further waives and agrees not to assert or claim at any time any deductions to the amount secured by this Deed of Trust for any claim of setoff, counterclaim, counter demand, recoupment or similar right, whether such claim, demand or right may be asserted by the Borrower, the Grantor, or both.

**GRANTOR'S UNDERSTANDING WITH RESPECT TO WAIVERS.** Grantor warrants and agrees that each of the waivers set forth above is made with Grantor's full knowledge of its significance and consequences and that, under the circumstances, the waivers are reasonable and not contrary to public policy or law. If any such waiver is determined to be contrary to any applicable law or public policy, such waiver shall be effective only to the extent permitted by law or public policy.

**MISCELLANEOUS PROVISIONS.** The following miscellaneous provisions are a part of this Deed of Trust:

**Time is of the Essence.** Time is of the essence in the performance of this Deed of Trust.

**Waiver of Jury.** All parties to this Deed of Trust hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by any party against any other party.

**Waiver of Homestead Exemption.** Grantor hereby releases and waives all rights and benefits of the homestead exemption laws of the State of Washington as to all Indebtedness secured by this Deed of Trust.

**DEFINITIONS.** The following words shall have the following meanings when used in this Deed of Trust:

**Beneficiary.** The word "Beneficiary" means WEST COAST BANK, and its successors and assigns.

**Borrower.** The word "Borrower" means Gerald W. Harteloo and includes all co-signers and co-makers signing the Credit Agreement and all their successors and assigns.

**Credit Agreement.** The words "Credit Agreement" mean the credit agreement dated May 9, 2008, with credit limit of \$100,000.00 from Borrower to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement. **NOTICE TO GRANTOR: THE CREDIT AGREEMENT CONTAINS A VARIABLE INTEREST RATE.**

**Deed of Trust.** The words "Deed of Trust" mean this Deed of Trust among Grantor, Lender, and Trustee, and includes without limitation all assignment and security interest provisions relating to the Personal Property and Rents.

**Environmental Laws.** The words "Environmental Laws" mean any and all state, federal and local statutes, regulations and ordinances relating to the protection of human health or the environment, including without limitation the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., or other applicable state or federal laws, rules, or regulations adopted pursuant thereto.

**Event of Default.** The words "Event of Default" mean any of the events of default set forth in this Deed of Trust in the events of default section of this Deed of Trust.

**Grantor.** The word "Grantor" means Gerald W. Harteloo and Linda K. Harteloo.

**Improvements.** The word "Improvements" means all existing and future improvements, buildings, structures, mobile homes affixed on the Real Property, facilities, additions, replacements and other construction on the Real Property.

**Indebtedness.** The word "Indebtedness" means all principal, interest, and other amounts, costs and expenses payable under the Credit Agreement or Related Documents, together with all renewals of, extensions of, modifications of, consolidations of and substitutions for the Credit Agreement or Related Documents and any amounts expended or advanced by Lender to discharge Grantor's obligations or expenses incurred by Trustee or Lender to enforce Grantor's obligations under this Deed of Trust, together with interest on such amounts as provided in this Deed of Trust.

**Lender.** The word "Lender" means WEST COAST BANK, its successors and assigns. The words "successors or assigns" mean any person or company that acquires any interest in the Credit Agreement.

**Property.** The word "Property" means collectively the Real Property and the Personal Property.

**Real Property.** The words "Real Property" mean the real property, interests and rights, as further described in this Deed of Trust.

**Related Documents.** The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

**Rents.** The word "Rents" means all present and future rents, revenues, income, issues, royalties, profits, and other benefits derived from the Property.

**Trustee.** The word "Trustee" means TOTTEN, INC., whose mailing address is 500 E. Broadway, Suite 100, Vancouver, WA 98660 and any substitute or successor trustees.



# DEED OF TRUST (Continued)

Loan No: 112000114

Page 6

EACH GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS DEED OF TRUST, AND EACH GRANTOR AGREES TO ITS TERMS.

**NOTICE TO THE GRANTOR:** Do not sign this loan agreement before you read it. This loan agreement provides for the payment of a penalty if you wish to repay the loan prior to the date provided for repayment in the loan agreement.

GRANTOR:

X *Gerald W. Harteloo*

Gerald W. Harteloo

X *Linda K. Harteloo*

Linda K. Harteloo

## INDIVIDUAL ACKNOWLEDGMENT

STATE OF Washington

)

COUNTY OF Clark

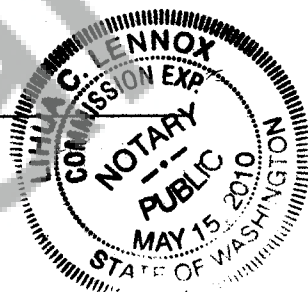
) SS

On this day before me, the undersigned Notary Public, personally appeared **Gerald W. Harteloo**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual described in and who executed the Deed of Trust, and acknowledged that he or she signed the Deed of Trust as his or her free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 13<sup>th</sup> day of May, 2008

By *[Signature]*Residing at Vancouver, WA

Notary Public in and for the State of \_\_\_\_\_

My commission expires 5-15-10

## INDIVIDUAL ACKNOWLEDGMENT

STATE OF Washington

)

COUNTY OF Clark

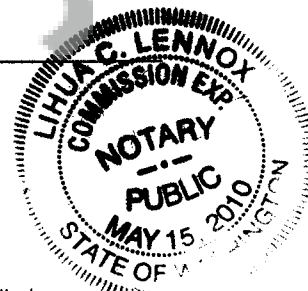
) SS

On this day before me, the undersigned Notary Public, personally appeared **Linda K. Harteloo**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual described in and who executed the Deed of Trust, and acknowledged that he or she signed the Deed of Trust as his or her free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 13<sup>th</sup> day of May, 2008

By *[Signature]*Residing at Vancouver, WA

Notary Public in and for the State of \_\_\_\_\_

My commission expires 5-15-10

## REQUEST FOR FULL RECONVEYANCE

To: \_\_\_\_\_, Trustee

The undersigned is the legal owner and holder of all indebtedness secured by this Deed of Trust. You are hereby requested, upon payment of all sums owing to you, to reconvey without warranty, to the persons entitled thereto, the right, title and interest now held by you under the Deed of Trust.

Date: \_\_\_\_\_

Beneficiary: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_



Title Order No.: 00120400

### EXHIBIT "A"

Lot 2 of SHORT PLATS, recorded in Book "3" of SHORT PLATS, page 346, records of Skamania County, Washington.

ALSO a portion of the North half of the Southeast quarter of Section 20, Township 2 North, Range 5 East of the Willamette Meridian, Skamania County, Washington, described as follows:

BEGINNING at a DNR concrete monument at the East quarter corner of Section 20; thence North 88°35'38" West, along the North line of the Southeast quarter of Section 20 as shown in Book 1 of Surveys, page 111, Skamania County Auditor's Records, for a distance of 685.37 feet to the Northeast corner of the William and Shirley Benson tract, as described in Skamania County Deed Book 132, page 633 and recorded on December 8, 1992, and the TRUE POINT OF BEGINNING; thence continuing North 88°35'38" West, along the North line of said William and Shirley Benson tract and the South line of the Harteloo tract as described in Skamania County Deed Book 178, page 693 and recorded on June 25, 1998, for a distance of 172.84 feet to a 5/8 inch iron rod at the Southwest corner of the Harteloo tract and the Northwest corner of the Benson tract; thence South 06°29'02" West, along the Easterly line of Lot 2 of the Harteloo Short Plat, as described in Book 3 of Short Plats, page 346 (and also along the Westerly line of the Benson tract), 67.26 feet to a 5/8 inch iron rod (Short Plat 3-346); thence South 88°35'38" East, 180.89 feet to the East line of the Benson tract; thence North 00°22'58" West, 67.03 feet to the TRUE POINT OF BEGINNING.

EXCEPT a portion of the North half of the Southeast quarter of Section 20, Township 2 North, Range 5 East of the Willamette Meridian, Skamania County, Washington, described as follows:

BEGINNING at a DNR concrete monument at the East quarter corner of Section 20; thence North 88°35'38" West, along the North line of the Southeast quarter of Section 20 as shown in Book 1 of Surveys, page 111, Skamania County Auditor's Records, for a distance of 685.37 feet to the Northeast corner of the William and Shirley Benson tract, as described in Skamania County Deed Book 132, page 633 and recorded on December 8, 1992; thence continuing North 88°35'38" West, along the North line of said William and Shirley Benson tract and the South line of the Harteloo tract as described in Skamania County Deed Book 178, page 693 and recorded on June 25, 1998, for a distance of 172.84 feet to a 5/8 inch iron rod at the Southwest corner of the Harteloo tract and the Northwest corner of the Benson tract; thence South 06°29'02" West, along the Easterly line of Lot 2 of the Harteloo Short Plat, as described in Book 3 of Short Plats, page 346 (and also along the Westerly line of the Benson tract), 67.26 feet to a 5/8 inch iron rod (Short Plat 3-346); thence South 37°11'29" East, 128.94 feet to a 5/8 inch iron rod (Short Plat 3-346) and the TRUE POINT OF BEGINNING; thence South 46°04' 47" West, 447.28 feet to a 5/8 inch iron rod (Short Plat 3-346); thence leaving the line between Lot 2 and Benson tract, North 34°00'00" East, 250.00 feet; thence North 60°32'40" East, 209.46 feet to the TRUE POINT OF BEGINNING.