

After Recording Return To:
Jaques, Sharp, Sherrerd, FitzSimons & Ostrye
205 Third St.
Hood River, OR 97031

etc 30602

"LINE OF CREDIT" DEED OF TRUST

GRANTOR: ERIN K. SWAYZE and RYAN D. SWAYZE

GRANTEE: Dennis D. Dillon and Cynthia G. Dillon, Trustees of THE DENNIS
D. DILLON AND CYNTHIA G. DILLON REVOCABLE TRUST
dated 02/07/2002

GRANTEE (Trustee): SKAMANIA COUNTY TITLE COMPANY, Stevenson, Washington

ABBREVIATED LEGAL DESCRIPTION: SE 1/4 Sec 20 T3N R8E
FULL LEGAL DESCRIPTION ON PAGE 5
ASSESSOR'S TAX ACCOUNT NO.: 03-08-20-1-4-0409-00

THIS "LINE OF CREDIT" DEED OF TRUST is made this 31 day of JULY 2008,
~~2007~~, between ERIN K. SWAYZE and RYAN D. SWAYZE, as Grantor, ~~American Title Company,~~
as Trustee, and Dennis D. Dillon and Cynthia G. Dillon, or their Successor, Trustees of THE
DENNIS D. DILLON AND CYNTHIA G. DILLON REVOCABLE TRUST dated 02/07/2002, as
Beneficiary:

WITNESSETH:

Grantor irrevocably grants, bargains, sells and conveys to trustee in trust, with power of
sale, the following described real property in Skamania County, Washington:

A tract of land in the Northeast quarter of the Southeast quarter of Section 20,
Township 3 North, Range 8 East of the Willamette Meridian, in the County of
Skamania, State of Washington, described as follows:

Lot 1 of the Erin's Cabin Short Plat, recorded in Auditor's File No. 2008170429,
Skamania County Records.

together with all rights therein now or hereafter, and the rents, issues and profits thereof and all fixtures now or hereafter attached to or used in connection with said real estate;

FOR THE PURPOSE OF SECURING PERFORMANCE of each agreement of Grantor herein contained and repayment of a "line of credit" construction loan with a maximum principal amount of ONE HUNDRED FIFTY THOUSAND DOLLARS (\$150,000), plus interest at the rate of eight and one-half percent (8.5%) per annum, according to the terms of a Construction Loan Agreement and a Promissory Note, both of even date herewith, payable to beneficiary and made by grantor, which is due and payable in full on or before MAY 1, 2009.

The date of maturity of the debt secured by this instrument is the date, stated above, on which the Loan Agreement becomes due and payable. Time is of the essence herein. The real property is not used principally for agricultural purposes.

In the event the within described property, or any part thereof, or any interest therein is sold, conveyed, or assigned without first having obtained the written consent or approval of the beneficiary, then, at the beneficiary's option, all obligations secured by the Loan Agreement shall become immediately due and payable.

TO PROTECT THE SECURITY OF THIS TRUST DEED, GRANTORS AGREE:

1. To protect, preserve and maintain said property in good condition and repair; not to remove or demolish any building or improvement thereon; not to commit or permit any waste of said property;
2. To complete or restore promptly and in good and workmanlike manner any building or improvement which may be constructed, damaged or destroyed thereon, and pay when due all costs incurred therefor.
3. To comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting said property.
4. To provide and continuously maintain insurance on any buildings now or hereafter erected on the premises against loss or damage by fire and such other hazards as the beneficiary may from time to time require, in an amount not less than the full insurable value, written in companies acceptable to the beneficiary, with loss payable to the latter.
5. To keep said premises free from construction liens and to pay all taxes, assessments and other charges that may be levied or assessed upon or against said property before any part of such taxes, assessments, and other charges become past due or delinquent.
6. To appear in and defend any action or proceeding purporting to affect the security rights or powers of beneficiary or trustee; and in any suit, action or proceeding in which the beneficiary or trustee may appear, including any suit for the foreclosure of this deed, to pay all costs and expenses, including evidence of title and the beneficiary's or trustee's attorney's fees; the amount of attorney's fees mentioned in this paragraph in all cases shall be fixed by the trial court and in the event of an appeal from any judgment or decree of the trial court, grantor further agrees to pay such sum as the appellate court shall adjudge reasonable as the beneficiary's or

trustee's attorney's fees on such appeal.

IT IS MUTUALLY AGREED THAT:

7. The Trustee shall reconvey all or any part of the property covered by this Deed of Trust to the person entitled thereto on written request of the Grantor and the Beneficiary, or upon satisfaction of the obligation secured and written request for reconveyance made by the Beneficiary or the person entitled thereto.

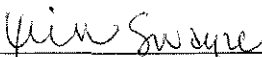
8. Upon default by Grantor in payment of any indebtedness secured hereby or in the performance of any agreement contained herein, all sums secured hereby shall become immediately due and payable at the option of the Beneficiary. In such event and upon written request of Beneficiary, Trustee shall sell the trust property, in accordance with the Deed of Trust Act of the State of Washington, at public auction to the highest bidder. Any person except Trustee may bid at Trustee's sale. Trustee shall apply the proceeds of the sale as follows: (1) to the expense of sale, including a reasonable Trustee's fee and attorney's fee; (2) to the obligation secured by this Deed of Trust; (3) the surplus, if any shall be distributed to the persons entitled thereto.

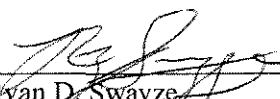
9. Trustee shall deliver to the purchaser at the sale its deed, without warranty, which shall convey to the purchaser the interest in the property which Grantor had or had the power to convey at the time of his execution of this Deed of Trust, and such as he may have acquired thereafter. Trustee's deed shall recite the facts showing that the sale was conducted in compliance with all the requirements of law and of this Deed of Trust, which recital shall be prima facie evidence of such compliance and conclusive evidence thereof in favor of bona fide purchasers and encumbrancers for value.

10. The power of sale conferred by this Deed of Trust and by the Deed of Trust Act of the State of Washington is not an exclusive remedy; Beneficiary may cause this Deed of Trust to be foreclosed as a mortgage.

11. In the event of the Death, incapacity or disability or resignation of Trustee, Beneficiary may appoint in writing a successor trustee, and upon the recording of such appointment in the mortgage records of the county in which this Deed of Trust is recorded, the successor trustee shall be vested with all powers of the original trustee. The Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Grantor, Trustee or Beneficiary shall be a party unless such action or proceeding is brought by the Trustee.

12. This Deed of Trust applies to, inures to the benefit of, and is binding not only on the parties hereto, but on their heirs, successors and assigns. The term beneficiary shall mean the holder and owner of the note secured hereby, whether or not named as Beneficiary herein.

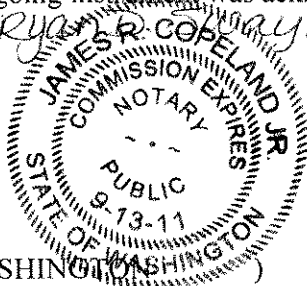

Erin K. Swayze


Ryan D. Swayze

STATE OF WASHINGTON)
)ss.
County of Skamania)

The foregoing instrument was acknowledged before me this July 19, 2008, by
~~Erin K. Swayze.~~ Ryan D. Swayze

(SEAL)

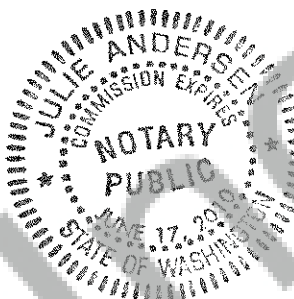


[Signature]
Notary Public for WA
My Commission Expires: 9-13-2011

STATE OF WASHINGTON)
)ss.
County of Skamania)

The foregoing instrument was acknowledged before me this July 31, 2008 by
Ryan D. Swayze. Erin K. Swayze

(SEAL)



[Signature]
Notary Public for _____
My Commission Expires: _____

EXHIBIT 'A'

A Tract of land in the Northeast quarter of the Southeast quarter of Section 20 Township 3 North, Range 8 East of the Willamette Meridian, in the County of Skamania, State of Washington describes as follows:

Lot 1 of the Erin's Cabin Short Plat, recorded in Auditor File No. 2008170429, Skamania County Records.

Seller Maintains a 25 foot easement from the east property line of above stated parcel, for ingress and egress.