

**RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:**

Michelle J. Taylor, Esq.
19215 S.E. 34th Street, No. 106
Camas, Washington 98607

Grantor : 131 Daniel Road, LLC
Grantee (Beneficiary) : Ted F. Newton and Ruby E. Campbell
Grantee (Trustee) : Michelle J. Taylor, Esq.
Abbreviated Legal : LOT 10 SHON-TAY-RILL BK A/PG 139
Assessor's Tax Parcel Nos. : 02053242010400
Other Reference No(s). :

DEED OF TRUST

Effective Date: June 21, 2008
Grantor: 131 Daniel Road, LLC
Trustee: Michelle J. Taylor, Esq.
Beneficiary: Ted F. Newton and Ruby E. Campbell

1. Grantor hereby bargains, sells and conveys to Trustee in Trust, with power of sale, the real property in Skamania County, Washington described on Exhibit "A" attached hereto and incorporated herein by reference ("Property"), which real property is not used principally for agricultural purposes, and shall not be used principally for agricultural purposes for so long as this Deed of Trust ("Deed of Trust") is in effect, together with all the tenements, hereditaments, and appurtenances now or hereafter belonging or appertaining thereto, and the rents, issues and profits thereof.

2. This Deed of Trust is for the purpose of securing performance of each agreement of Grantor herein contained, and payment to Beneficiary by Grantor of the sum of Twenty Thousand and No/100 Dollars (\$20,000.00), without interest, in accordance with and subject to the terms and conditions as set forth in that certain Mutual Termination of Lease and Option to Purchase by and between Grantor and Beneficiary dated June 21, 2008 ("Lease Termination"), as such amount may be adjusted in writing, by and between Grantor (as landlord) and Beneficiary (as tenant) which supersedes the Lease Agreement with Option to Purchase by and between Grantor's predecessor in interest (as landlord) and Beneficiary (as

tenant), dated July 27, 2007, recorded August 1, 2007 under Auditors File No. 2007167099 of the Skamania County records and terminated as set forth in the Lease Termination.

TO PROTECT THE SECURITY OF THIS DEED OF TRUST, Grantor covenants and agrees:

3. To pay all debts and monies secured hereby when from any cause the same shall become due.
4. To keep the property in condition and repair as required of Grantor pursuant to the terms and conditions of the Lease; to permit no waste thereof; to restore promptly any building, structure or improvement thereon which may be damaged or destroyed as set forth in the Lease; and to mutually comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting the property, other than pre-existing property conditions.
5. To pay before delinquent all lawful taxes and assessments upon the property; to keep the property free and clear of all other material charges, liens or encumbrances impairing the security of this Deed of Trust, all as set forth in the Lease.
6. To keep all buildings now or hereafter erected on the property described herein continuously insured against loss by fire or other hazards in an amount not less than \$20,000.00 secured by this Deed of Trust. All policies shall be with commercially reasonable insurance companies and have Beneficiary named as additional insured with Grantor. The amount collected under any insurance policy may be applied at least 25 percent to any indebtedness hereby secured and then to restore the property.
7. To defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee, and to pay all costs and expenses, including cost of title search and attorney's fees in a reasonable amount, in any such action or proceeding, and in any suit brought by Beneficiary to foreclose this Deed of Trust.
8. Should Grantor fail to pay when due any taxes, assessments, insurance premiums, liens, encumbrances or other charges against the property hereinabove described as required of Grantor pursuant to the terms and conditions of the Lease or this Deed of Trust, Beneficiary may pay the same, and the amount so paid, with interest at the rate of five percent (5%) per annum, shall be added to and become a part of the debt secured in this Deed of Trust.

IT IS MUTUALLY AGREED THAT:

9. In the event any portion of the property is taken or damaged in an eminent domain proceeding, the entire amount of the award or such portion thereof as may be necessary to fully satisfy the obligation secured hereby, shall be paid to Beneficiary to be applied to said obligation.

10. By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive its right to require prompt payment when due of all other sums so secured.

11. 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 Grantor or Beneficiary, upon satisfaction of the obligation secured and payment or settlement of the escrow reserve in the name of the Beneficiary, or otherwise upon written request for reconveyance made by Beneficiary or the person entitled thereto.

12. Upon default by Grantor and ten (10) days' opportunity to cure after Grantee's written notice to Grantor, in the payment of any indebtedness secured hereby or in the performance of any agreement contained herein, all sums secured hereby shall immediately become due and payable at the option of 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 (as amended), 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 the sale, including a reasonable Trustee's fee and attorney's fees; (2) to the obligation secured by this Deed of Trust; (3) the surplus, if any, shall be distributed to the persons entitled thereto or may be deposited (less clerk's filing fee) with the clerk of the Superior Court of the county in which sale takes place.

13. 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/her execution of this Deed of Trust, and such as he/she 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.

14. 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.

15. In the event of the death, incapacity, 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. 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 Trustee brings such action or proceeding.

16. This Deed of Trust applies to, inures to the benefit of, and is binding not only on the parties hereto, but on their heirs, devisees, legatees, administrators, executors, successors and

assigns. The term Beneficiary shall mean the holder and owner of the Note secured hereby, whether or not named as Beneficiary herein. Grantor shall not assign any of its obligations under the terms of this agreement or note.

17. Beneficiary may, at its option, declare due and payable all sums secured by this Deed of Trust upon the sale or transfer of all or any part of the real property. A "sale or transfer" means the recorded conveyance of real property or any right, title, or interest therein, whether legal or equitable, whether voluntary or involuntary, by outright, sale, deed, installment sale contract, land contract, contract for deed, lease-option contract, or any other method of conveyance of real property interests to an un-related third party other than Grantor's members or affiliates.

GRANTOR:

131 DANIEL ROAD, LLC, a Washington
limited liability company

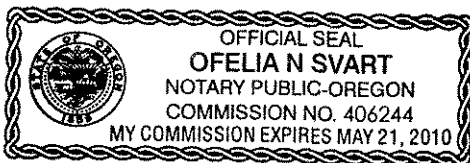
By: Rose Kowalski

Rose Kowalski, Manager

State of ~~Washington~~ OREGON)
) ss.
County of Multnomah)

I certify that I know or have satisfactory evidence that Rose Kowalski is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the Manager of **131 Daniel Road, LLC** to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: 7.21., 2008.



Ofelia N Svart
Notary Public for Washington OREGON

OFELIA N. SVART
(Printed or Stamped Name of Notary)
Residing at Vancouver, Washington
My appointment expires: 5.21.2010

**EXHIBIT A
LEGAL DESCRIPTION**

LOT 10 SHON-TAY-RILL BK A/PG 139, Skamania County, Washington

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