

Filed for Record at the Request of:

AFTER RECORDING MAIL TO:

Genesis Financial Inc.  
200 N. Mullan Suite 217  
Spokane Valley, WA 99206  
Keenan-Mudrick

STC-30840

Indexing information required by the Washington State Auditor's/Recorder's Office, (RCW 36.18 and RCW 65.04) 1/97: (please print last name first)

Reference # (If applicable):

Grantor(s) (Seller): Genesis Financial Inc., a Washington corporation

Grantee(s) (Purchaser): John and Anna Keenan-Mudrick, husband and wife

ABBRV LEGAL: SW ¼ SEC 34 T2N R5E

PARCEL NUMBER: ~~02053400070005~~ 02-05-34-0-0-0700-00

DEED OF TRUST

(For use in the State of Washington only)

THIS DEED OF TRUST, made this 5th day of ~~December~~ <sup>January</sup>, 2009 between John and Anna Keenan-Mudrick, husband and wife GRANTOR, First American Title Insurance Company, a California corporation TRUSTEE, and Genesis Financial Inc., a Washington corporation BENEFICIARY, whose address is 200 N. Mullan Suite 217, Spokane Valley, WA 99206.

WITNESSETH: Grantor hereby bargains, sells, and conveys to Trustee in trust, with power of sale, the following described real property in Skamania County, Washington:

The South Half of the Northeast Quarter of the Southwest Quarter of Section 34, Township 2 North, Range 5 East of the Willamette Meridian, in the County of Skamania, State of Washington. Situate in the City of Washougal, County of Skamania, State of Washington.

Tax Parcel Number(s): ~~02053400070005~~ 02-05-34-0-0-0700-00

which real property is not used principally for agricultural or farming purposes, together with all the tenements, hereditaments, and appurtenances now or hereafter thereunto belonging or in any wise appertaining, and the rents, issues, and profits thereof.

This deed is for the purpose of securing performance of each agreement of Grantor herein contained, and payment of the sum of **Eighty Thousand Dollars and 00/100ths (\$80,000.00)** with interest, in accordance with the terms of a promissory note of even date herewith, payable to Beneficiary or order, and made by Grantor, and all renewals, modifications, and extensions thereof, and also such further sums as may be advanced or loaned by Beneficiary to Grantor, or any of their successors or assigns, together with interest thereon at such rate as shall be agreed upon.

To protect the security of this Deed of Trust Grantor covenants and agrees:

1. To keep the property in good condition and repair, to permit no waste thereof; to complete any building, structure, or improvement being built or about to be built thereon; to restore promptly any building, structure, or improvement thereon which may be damaged or

destroyed; and to comply with all laws, ordinances, regulations, covenants, conditions, and restrictions affecting the property.

2. **TAXES AND ASSESSMENTS:** To pay all taxes levied or assessments made against the property as they become due and before they become delinquent and to deliver to Beneficiary receipts from the taxing or assessing authorities showing the payments made. The delivery of the receipts shall be made on or before ten (10) days after the taxes or assessments are paid.
3. **INSURANCE.** To insure and keep insured all improvements now or hereafter created upon the Property against loss or damage by fire and windstorm, and any other hazards as may be reasonably required from time to time by Beneficiary during the terms of the indebtedness hereby secured, to the extent of the original amount of the indebtedness hereby secured, or to the extent of the full insurable value of said improvements, whichever is the lesser, in such form and with such insurance Company or Companies as may be approved by Beneficiary, and to deliver to Beneficiary the policies of such insurance having attached to said policies such mortgage indemnity clause as Beneficiary shall direct; to deliver renewals of such policies to Beneficiary at least Ten (10) days before any such insurance policies shall expire; any proceeds which Beneficiary may receive under any such policy, or policies, may be applied by Beneficiary at her option, to reduce the indebtedness hereby secured, whether then matured or to mature in the future, and in such manner as Beneficiary may elect, or Beneficiary may permit Grantor to use said proceeds to repair or replace all improvements damaged or destroyed and covered by said policy.

All policies shall be held by the escrow agent and/or Beneficiary, and be in such companies as the Beneficiary may approve and have loss payable first to any holders of underlying encumbrances, then to Beneficiary as their interests may appear and then to Grantor. Grantor may within 30 days after loss negotiate a contract to substantially restore the premises to their condition before the loss. If the insurance proceeds are sufficient to pay the contract price for restoration or if the Grantor deposits in escrow any deficiency with instructions to apply the funds on the restoration contract, the property shall be restored unless the underlying encumbrances provide otherwise. The insurance proceeds shall be held by Beneficiary and disbursed as deemed necessary by the Beneficiary to insure that the premises are properly restored. Beneficiary may impose such conditions as it deems necessary to provide assurance that the proceeds will be used to restore the property, including, without limitation, Beneficiary's prior approval of plans and specifications for restoration, construction contracts for such restoration and Beneficiary's requirements concerning periodic inspections of the work as it progresses. Upon completion of the restoration, Beneficiary shall pay the net proceeds to Grantor upon receipt of satisfactory evidence that the premises have been restored to the required condition in accordance with state, local and other governmental laws and regulations and free from liens and encumbrances. If Grantor fails to satisfy any of the foregoing conditions or fails to exercise diligence in commencing and completing the work, Beneficiary may at its option complete the necessary repairs and use the proceeds for the payment thereof. Otherwise the amount collected under any insurance policy shall be applied upon any amounts due hereunder in such order as the Beneficiary shall determine. In the event of forfeiture, all rights of Grantor in insurance policies then in force shall pass to Beneficiary.

4. To defend any action or proceeding purporting to affect the security hereof or the rights of 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.
5. To pay all costs, fees and expenses in connection with this Deed of Trust, including the expenses of the Trustee incurred in enforcing the obligation secured hereby and Trustee's and attorney's fees actually incurred, as provided by statute.

**IT IS MUTUALLY AGREED THAT:**

1. 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 as may be necessary to fully satisfy the obligation secured hereby, shall be paid to Beneficiary to be applied to said obligation.
2. If any payment on purchase price is not made within ten (10) days after the date it is due, Grantor agrees to pay a late charge equal to TEN PERCENT (10%) of the amount of such payment. Such late payment charge shall be in addition to all other remedies available to Beneficiary and the first amounts received from Grantor after such late charges are due shall be applied to the late charges.
3. 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.
4. Upon default by 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 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 the sale, including a reasonable Trustee's fee and attorney's fee; (2) to the obligation secured by this Deed of Trust; and (3) the surplus, if any shall be distributed to the persons entitled thereto.

5. 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 purchaser and encumbrances for value.
6. 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.
7. 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. The trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of an action or proceeding in which Grantor, Trustee, or Beneficiary shall be a party unless such action or proceeding is brought by the Trustee.
8. If "Grantor" (a) conveys (b) sells (c) leases (d) assigns (e) contracts to convey, sell, lease, or assign (f) grants an option to buy the property (g) permits a forfeiture or foreclosure or trustee or Sheriff's sale of any of the "Grantors" interest in the property or this Deed of Trust, Beneficiary may at any time thereafter either raise the interest rate on the balance of the purchase price or declare the entire balance of the purchase price due and payable. If one or more of the entities comprising the "Grantor" is a corporation, any transfer or successive transfers in the nature of items (a) through (g) above or 49% or more of the outstanding capital stock shall enable "Beneficiary" to take above action. A lease of less than 3 years) including options for renewals), a transfer to spouse or child of "Grantor", a transfer incident to a marriage dissolution or condemnation and a transfer by inheritance will not enable Beneficiary to take any action pursuant to this paragraph; provided the transferee other than a condemnor agrees in writing that the provisions of this paragraph apply to any subsequent transaction involving property entered into by the transferee.
9. This Deed of Trust applies to, inures to the benefit of, and is binding not only on the parties here, but on their heirs, devisees, legatees, administrators, executors, and assigns. The term Beneficiary shall mean the holder and owner of the note secured hereby, whether or not named as Beneficiary herein.
10. DEED RELEASE CLAUSE: Lender agrees to a deed release provision of one hundred twenty five percent (125.0%) of the gross sales price percentage of the entire collateral's value, times the Loan amount, for any portion of the collateral. Said deed releases will only be granted if the loan is current, and no payment has been more than 30 days delinquent during the term of the loan. In addition, no release will be given that jeopardizes the remaining collateral's value (i.e. land-locking remaining parcels, community well parcel, etc.).

Dated: 12/26, 2008

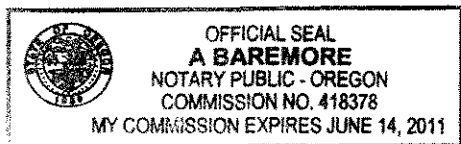
John Keenan-Mudrick  
John Keenan-Mudrick

Anna Keenan-Mudrick  
Anna Keenan-Mudrick

STATE OF Oregon )  
 County of Lane )s.s.

On this 26<sup>th</sup> day of December, 2008, before me the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared John and Anna Keenan-Mudrick to me known to be the individual(s) who executed the foregoing instrument, and acknowledged the said instrument to be their free and voluntary act and deed for the uses and purposes therein mentioned.

Witness my hand and official seal hereto affixed the day and year first above written.



A Baremore  
 Notary Public in and for the State of Oregon  
 Residing in The UPS Store  
 My commission expires: June 14<sup>th</sup> 2011

REQUEST FOR FULL RECONVEYANCE  
 (Do not record. To be used only when note has been paid)

TO: Trustee

The undersigned is the legal owner and holder of the note and all other indebtedness secured by the within Deed of Trust. Said note, together with all other indebtedness secured by said Deed of Trust, has been fully paid and satisfied; and you are hereby requested and directed, on payment to you of any sums owing to you under the terms of said Deed of Trust, to cancel said note above mentioned, and all other evidences of indebtedness secured by said Deed of Trust delivered to you herewith, together with the said Deed of Trust, and to reconvey, without warranty, to the parties designated by the terms of said Deed of Trust, all the estate now held by you thereunder.

Dated \_\_\_\_\_, 20\_\_\_\_.

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