

SEA 31986

FILED FOR RECORD AT REQUEST OF:
Name: WESTAR FUNDING, INC.
Address: 11601 Harbour Pointe Blvd., Ste. 200
Mukilteo, WA 98275

Deed of Trust

THIS DEED OF TRUST, made this 10 day of Oct 2010, 2010 between Emerald Hat, Inc., an Oregon Corporation, GRANTOR, whose address is 15400 SW Bobwhite Circle Beaverton, OR 97007, Jerome A. Froland, Attorney at Law as TRUSTEE, whose address is P.O. Box 13125, Mill Creek, WA. 98082 and Westar Funding, Inc., BENEFICIARY, whose address is 11601 Harbour Pointe Blvd., Ste. 200, Mukilteo, WA 98275.

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

Abbreviated legal description: S24, T7N, R6E

FULL LEGAL DESCRIPTION ATTACHED HERETO AS EXHIBIT "A" AND INCORPORATED HEREIN BY THIS REFERENCE.

Together with all buildings, improvements, and tenements now or hereafter erected on the property, and all heretofore or hereafter vacated alleys and streets abutting the property, and all easements, rights, appurtenances, rents (subject however to the assignment of rents to lender herein), royalties, mineral, oil and gas rights and profits, water, water rights, and water stock appurtenant to the building, all materials, appliances and goods of every nature whatsoever now or hereafter located in, on, or used or intended to be used in connection with the property, including, but not limited to, those for the purposes of supplying or distributing heating, cooling, electricity, gas, water, air, and light; and all elevators, and related machinery and equipment, fire prevention and extinguishing apparatus, security and access control apparatus, plumbing, bath tubs, water heaters, water closets, sinks, ranges, stoves, refrigerators, dishwashers, disposals, washers, dryers, awnings, storm windows, storm doors, screens, blinds, shades, curtains and curtain rods, mirrors, cabinets, paneling, rugs, attached floor coverings, furniture, pictures, antennas, trees and plants; and together with all plans, permits, and/or work product of any nature related to the development of the property; all of which, including replacements and additions thereto, shall be deemed to be and remain a part of the real property covered by this instrument; and all of the foregoing, together with said property are herein referred to as the "Property"

Tax Account Number: 07062400010300

Which real property is not used principally for agricultural or farming purposes.

This deed is for the purpose of securing performance of each agreement of grantor herein contained, the Hazardous Waste Certificate and payment

Of the sum of One Hundred and Sixty Three Thousand Dollars and No/100's (\$163,000.00)

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. To pay before delinquent all lawful taxes and assessments upon the property; to keep the property free and clear of all other charges, liens or encumbrances impairing the security of this Deed of Trust.
3. 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 the total debt secured by this Deed of Trust. All policies shall be held by the Beneficiary, and be in such companies as the Beneficiary may approve and have loss payable first to the Beneficiary, as its interest may appear, and then to the Grantor. The amount collected under any insurance policy may be applied upon any indebtedness hereby secured in such order as the Beneficiary shall determine. Such application by the Beneficiary shall not cause discontinuance of any

proceedings to foreclose this Deed of Trust. In the event of foreclosure, all rights of the Grantor in Insurance policies then in force shall pass to the purchaser at the foreclosure sale. If grantor fails to provide beneficiary with evidence of insurance coverage, beneficiary may purchase insurance at grantor's expense to protect the beneficiary's interest. This coverage may, but need not, protect the grantor's interest too. If the collateral is damaged, the coverage purchased by the beneficiary may not pay any claim made by or against the Grantor. The Grantor may cancel the forced insurance coverage by providing evidence of insurance. Grantor is responsible for the cost of any insurance purchased by the beneficiary, and the cost shall be added to the loan balance. If added to the loan balance, the expense will be subject to the underlying interest rate. The effective date of coverage may be the date the Grantor's prior coverage lapsed or the date upon which the grantor failed to provide proof of coverage. Insurance purchased by the beneficiary may be more expensive than the grantor could otherwise obtain and may not satisfy any need for the Grantor's property damage or any other applicable mandatory liability insurance requirements.

4. 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.
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.
6. Should Grantor fail to pay when due any taxes, assessments, insurance premiums, liens, encumbrances or other charges against the property herein above described, or if Grantor fails to perform the covenants and agreements contained in this Deed of Trust, or there is a legal proceeding that may significantly affect Beneficiary's rights in the Property (such as a proceeding in bankruptcy, probate, condemnation, forfeiture, foreclosure, or to enforce laws, covenants, conditions, restriction, regulations), then Beneficiary may do and pay for whatever is necessary to protect the value of Property and Beneficiary's rights in the property. Beneficiary's action may include paying any sums secured by a lien which has priority over this Deed of Trust, appearing in court, paying reasonable attorney's fees and entering on the Property to make repairs. Although Beneficiary may take this action under this paragraph, Beneficiary does not have to do so. Any amounts disbursed by Beneficiary under this paragraph shall become additional debt of Grantor secured by this Deed of Trust. Unless Grantor and Beneficiary agree in writing to other terms of payment, these amounts shall bear interest from the date of disbursement at the default rate of interest set forth in the parties Promissory Note and shall be payable, with said default interest, upon notice from Beneficiary to Grantor requesting payment. Failure to make payment in full after such notice is an event of default.

IT IS MUTUALLY AGREED THAT:

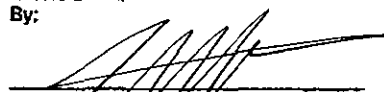
1. In the event any portion of the property is taken or damaged in any eminent domain proceeding, the entire amount of the award or such portion as may be necessary to fully satisfy the obligation secured hereby, shall be paid to Beneficiary to be applied to said obligation.
2. By accepting payment of 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 or to declare default for failure to so pay.
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. Grantor shall pay all costs and fees associated with reconveyance.
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; (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 encumbrancers 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 any action or proceeding in which Grantor, Trustee or Beneficiary shall be a party unless such action or proceeding is brought by the Trustee.

8. 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 and assigns. The term Beneficiary shall mean the holder and owner of the note secured hereby, whether or not named as Beneficiary herein.

Emerald Hat, Inc.

By:


Mohammed A. Hawana, President


Tamara L. Hawana, Vice President

STATE OF OREGON)
COUNTY OF WA)) ss.

This is to certify that on this 10 day of Oct, 2010, before me, the undersigned, a notary public in and for the State of Oregon, duly commissioned and sworn, personally appeared Tamara L. Hawana & Mohammed A. Hawana known to be the pres + V.P. of Emerald Hat, Inc. a corporation, that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation for the uses and purposes therein mentioned, and on oath stated that said individual was authorized to execute said instrument.



Witness my hand and official seal this day and year in this certificate first above written.



Print Name Angel L. Kavanaugh
Notary Public in and for the State of Oregon,
residing at Beaverton
My commission expires 11-30-12

EXHIBIT 'A'

A tract of land located in a portion of the "Fortin Short Plat", according to the Plat thereof, recorded in Auditor's File Number 2006161036, records of Skamania County, Washington, located in a portion of the Southwest Quarter of Section 24, Township 7 North, Range 6 East, Willamette Meridian, Skamania County, Washington, more particularly described as follows:

- Beginning at the Northwest corner of said Fortin Short Plat;
- Thence South $01^{\circ}06'01''$ West, along the west line of said Fortin Short Plat, for a distance of 330.05 feet;
- Thence continuing along said west line, South $01^{\circ}13'05''$ West, for a distance of 223.90 feet to the True Point of Beginning;
- Thence North $52^{\circ}00'00''$ East, for a distance of 151.96 feet to the most westerly corner of Lot 3 of said Fortin Short Plat;
- Thence South $38^{\circ}00'00''$ East, along the westerly line of said Lot 3 for a distance of 175.00 feet;
- Thence leaving said westerly line, South $31^{\circ}36'32''$ West, for a distance of 451.43 feet to a point on the west line of said Fortin Short Plat;
- Thence North $01^{\circ}13'05''$ East, along said west line, for a distance of 428.90 to the True Point of Beginning.