

AFTER RECORDING MAIL TO:

Name Bell Design Company

Address Box 308

City, State, Zip Bingen WA 98605

Filed for Record at Request of:

DEED OF TRUST

(For use in the state of Washington only)

Grantor(s) Jerry & Diane Cates

Grantee(s) Bell Design Company

Trustee Columbia Gorge TITLE, Stevenson, Wa

Abbreviated Legal: PARCEL IN SECTION 34, T2N, R5E, W.M.

Additional Legal on page: Exhibit A

Assessor's tax parcel/Account Nos: 02053400060200

THIS DEED OF TRUST, made this 14TH day of AUGUST, 2012, between Jerry & Diane Cates, GRANTOR(S), whose street address is 112 Wantland Road, Washougal WA 98671, Columbia Gorge TITLE, TRUSTEE, whose street address is 41 Russett Ave, Stevenson, WA 98648, and BELL DESIGN COMPANY, BENEFICIARY, whose street address is 1000 E STEVEN BINGEN WA 98605 P.O. Box 308

WITNESSETH: Grantor(s) hereby bargain(s), sell(s), and convey(s) to Trustee in trust, with power of sale, the following described real property in Skamania County, Washington:

Exhibit A

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

This Deed of Trust is for the purpose of securing performance of each agreement of Grantor(s) contained in this Deed of Trust, and payment of the sum of Seventeen THOUSAND Dollars (\$ 17,000.00) with interest, in accordance with the terms of a promissory note of even date herewith, payable to Beneficiary or order, and made by Grantor(s), and all renewals, modifications, and extensions of the note, and also such further sums as may be advanced or loaned by Beneficiary to Grantor(s), or any of the Grantor(s)' successors or assigns, together with interest thereon at the rate agreed upon.

DUE DATE: The entire balance of the promissory note secured by this Deed of Trust, together with any and all interest accrued thereon, shall be due and payable in full on SEPT. 1, 2013

To protect the security of this Deed of Trust, Grantor(s) covenant(s) and agree(s):

1. To keep the property in good condition and repair; to permit no waste of the property; to complete any building, structure, or improvement being built or about to be built on the property; to restore promptly any building, structure, or improvement on the property 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 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(s). The amount collected under any insurance policy may be applied upon any indebtedness secured by this Deed of Trust 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(s) in insurance policies then in force shall pass to the purchaser at the foreclosure sale.
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 by this Deed of Trust and Trustee's and attorney's fees actually incurred, as provided by statute.
6. Should Grantor(s) fail to pay when due any taxes, assessments, insurance premiums, liens, encumbrances, or other charges against the property. Beneficiary may pay the same, and the amount so paid, with interest at the rate set forth in the note secured by this Deed of Trust, shall be added to and become a part of the debt secured in this Deed of Trust.
7. DUE ON SALE: (OPTIONAL - *Not applicable unless initialed by Grantor and Beneficiary*) The property described in this security instrument may not be sold or transferred without the Beneficiary's consent. Upon breach of this provision, Beneficiary may declare all sums due under the note and Deed of Trust immediately due and payable, unless prohibited by applicable law.




Grantor (Initials)
Beneficiary (Initials)

IT IS MUTUALLY AGREED THAT:

8. 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 by this Deed of Trust shall be paid to Beneficiary to be applied to said obligation.
9. By accepting payment of any sum secured by this Deed of Trust 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.
10. 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(s) and the Beneficiary, or upon satisfaction of the obligation secured and written request for reconveyance made by the Beneficiary or the person entitled thereto.
11. Upon default by Grantor(s) in the payment of any indebtedness secured by this Deed of Trust or in the performance of any agreement contained in this Deed of Trust, all sums secured by this Deed of Trust shall immediately become due and payable at the option of the Beneficiary, subject to any cure period provided in the note secured by this Deed of Trust. 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.
12. Trustee shall deliver to the purchaser at the sale its deed, without warranty, which shall convey to the purchaser all right, title and interest in the real and personal property which Grantor(s) had or had the power to convey at the time of the execution of this Deed of Trust, and such as Grantor(s) 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.
13. 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.
14. In the event of the absence, death, incapacity, disability, or resignation of Trustee, or at the discretion of the Beneficiary, 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(s), Trustee, or Beneficiary shall be a party unless such action or proceeding is brought by the Trustee.
15. This Deed of Trust applies to, inures to the benefit of, and is binding not only on the parties hereto, but on his/her/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.

16. ADDITIONAL TERMS AND CONDITIONS: (check one)

a. NONE

OR

b. As set forth on the attached "Exhibit A" which is incorporated by this reference.

(Note: If neither a nor b is checked, then option "a" applies)

Dated: 10/5/2012
x Jerry R. Cates x
x Marian F. Cates x

STATE OF Washington)
COUNTY OF Clark)-ss

I certify that I know or have satisfactory evidence that Jerry R. Cates and Diane F. Cates (is/are) the person(s) who appeared before me, and said person(s) acknowledged that (he/she/they) signed this instrument and acknowledged it to be (his/her/their) free and voluntary act for the uses and purposes mentioned in this instrument.

Dated: Oct. 5, 2012
SHARIF H. BURDZIK
NOTARY PUBLIC
STATE OF WASHINGTON
COMMISSION EXPIRES
JUNE 01, 2015

Sharif H. Burdzik
Notary Public in and for the state of Washington
Residing at Vancouver, WA
My appointment expires: June 1, 2015

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: _____

EXHIBIT A

That portion of the West half of the Southeast Quarter of Section 34, Township 2 North, Range 5 East of the Willamette Meridian, Skamania County, Washington, described as follows:

Commencing at a 1" iron pipe with a brass disk marking the Southwest corner of said Section 34, as shown in recorded survey Book 1, Page 247; thence South 89 degrees 30'12" East along the South line of said Section 34, a distance of 2613.30 feet to a found 5/8" iron rod with a yellow plastic cap stamped "SMART 16929", marking the Southwest corner of Deed recorded in Book 130, Page 968; thence North 01 degrees 12'11" East along the West line of said West half of the Southeast Quarter of Section 34, a distance of 1324.46 feet to a found 5/8" iron rod with a yellow plastic cap stamped "HAGEDORN", as shown in recorded survey Book 1, Page 244 for the Southwest corner of Lot 11; Thence continuing North 01 degrees 12'11" East along said West line, a distance of 301.03 feet to the centerline of Wantland Road and the True Point of Beginning; thence Easterly along said centerline, a distance of 69.73 feet on a curve to the right having a radius of 300.00 feet and a central angle of 13 degrees 19'04"; thence continuing along said centerline North 86 degrees 20'00" East, a distance of 39.95 feet; thence continuing along said centerline, a distance of 66.03 feet on a curve to the left having a radius of 100.00 feet and a central angle of 37 degrees 40'00"; thence continuing along said centerline North 48 degrees 30'00" East, a distance of 204.53 feet; thence continuing along said centerline, a distance of 42.20 feet on a curve to the left having a radius of 100.00 feet and a central angle of 24 degrees 10'36"; thence North 36 degrees 24'42" East, a distance of 64.72 feet; thence North 29 degrees 09'52" East, a distance of 100.90 feet to the North line of said Lot 11; thence South 80 degrees 20'00" East along said North line, a distance of 726.38 feet to the North line of Lot 12 of said "HAGEDORN" survey; thence North 60 degrees 40'00" East along said North line of Lot 12, a distance of 202.65 feet to a point on the East line of said West half of the Southeast Quarter and the Northeast corner of said Lot 12; thence North 01 degrees 11'49" East along said East line, a distance of 319.11 feet to the Northeast corner of Lot 10 of said "HAGEDORN" survey; thence North 90 degrees 00'00" West along the North line of said Lot 10, a distance of 1319.65 feet to the Northwest corner of said Lot 10; thence South 01 degrees 12'11" West along the West line of said Lot 10, a distance of 645.85 feet, to the true point of beginning.

PARCEL 02053400060200