No. 45605-2-II

COURT OF APPEALS, DIVISION II
OF THE STATE OF WASHINGTON

RES-WASH ONE, LLC, a Florida limited liability company,

Appellant,

v.

MARK HINTON and JONI HINTON, husband and wife, and the marital community deprived thereof,

Respondents.

BRIEF OF RESPONDENTS MARK AND JONI HINTON

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TABLE OF CONTENTS

I. INTRODUCTION 1

II. STATEMENT OF THE CASE 5

A. The Bank of Clark County Made A Commercial Loan To Hinton Development Corporation That Was Secured by A Deed of Trust Granted By Mark And Joni Hinton 5

B. The Vesting Deed Incorrectly Identified HDC As Grantee, But Was Later Corrected To Correctly Vest Title To The Hintons. 8

C. The Bank of Clark County Failed; And The FDIC Assumed Control Of And Evaluated The Loan. 10

D. The FDIC Sold The Loan To Res-One; And Res-One Elected To Non-Judicially Foreclose On The Deed Of Trust. 13

E. After Completing The Foreclosure, Res-One Commenced Suit Against The Hintons To Obtain A Deficiency Judgment. 15

F. Res-One Successfully Obtained Partial Summary Judgment That, Under The Plain Language Of The Guaranties, The Hintons Are Liable For A Post Foreclosure Deficiency. 16

G. The Hintons Moved For A Summary Judgment Determination That Their Liability For A Deficiency Is Limited To That Authorized By RCW 61.24.100(6) 17

H. Two Years After Filing Suit And On The Eve Of The Summary Judgment Hearing, Res-One Moved To Amend Its Complaint To Vacate Its Nonjudicial Foreclosure, Commence A Judicial Foreclosure And Reinstate Waived Remedies. 18

III. ARGUMENT 19

A. The 2011 Trustee's Sale Is Final And Immune To Challenge; The Trial Court Did Not Abuse Its Discretion When It Rejected Res-One's Request To Amend Its Complaint To Vacate Its Own Foreclosure.....19

1. If the Deed of Trust was "defective" when originally granted, the corrected deed cured the defect.....20

2. If HDC retained title and had a viable challenge to the Deed of Trust, HDC waived its challenge by failing to invoke statutory pre-sale remedies in RCW 61.24.130. 25

3. Res-One cannot attack the sale based upon alleged "title defects" that were disclosed in the public record. 31

4. CR 15 does not support Res-One's attempt to reverse it remedy election through a post-sale challenge. 33

B. The Trial Court Properly Held That Res-One's Deficiency Claim Against The Hintons Is Limited By RCW 61.24.100(6).....37

1. The express and unambiguous terms of the Deed of Trust provide that it secures the Guaranties.....38

2. Res-One cannot contractually expand the Deed of Trust Act remedies through so-called "waivers." 42

C. The Trial Court Did Not Abuse Its Discretion In Rejecting Res-One's Proposed Fee Reductions.....46

IV. REQUEST FOR ATTORNEYS' FEES 50

V. CONCLUSION.....50

TABLE OF AUTHORITIES
Appendices

A. Corrected and Re-Record3ed Deed (CP-1067-70)

B. Deed of Trust (CP-991-1001)

C. Mark Hinton Commercial Guaranty (CP-274-76)

D. Trustee's Deed (CP-1172-77)

E. Notice of Default (CP-215-220) and Affidavit of Mailing (CP-212-214)

F. Notice of Trustee's Sale (CP-226-32)

G. Notice of Foreclosure (CP-233-280)

H. Affidavit of Mailing for Notice of Trustee's Sale and Notice of Foreclosure (CP-223-225)

TABLE OF AUTHORITIES

Cases

Absher Const. Co. v. Kent Sch. Dist. No. 415, 79 Wn. App. 841, 917 P.2d 1086 (1995) 46

Albice v. Premier Mortg. Servs. of Wash., Inc., 174 Wn.2d 560, 276 P.3d 1277 (2012) 28, 30

Amresco Independence Funding, Inc. v. SPS Properties, LLC, 129 Wn. App. 532, 119 P.3d 884 (2005) 31

Bain v. Metropolitan Mortgage Group, 175 Wn.2d 83, 285 P.3d 34 (2012) 34, 44, 45

Barth v. Barth, 19 Wn.2d 543, 143 P.2d 542 (1943) 22

Bavand v. One West Bank, FSB, 176 Wn.2d 475, 309 P.3d 636 (2013) .. 30

Bowers v. Transamerica Title Ins. Co., 100 Wn.2d 581, 675 P.2d 193 (1983) 50

Brown v. Household Realty Corp., 146 Wn. App. 157, 189 P.3d 233 (2008) 29

Caruso v. Local Union No. 690 of Int'l Bhd. of Teamsters, 100 Wn.2d 343, 670 P.2d 240 (1983) 35

Chuong Van Phan v. City of Seattle, 159 Wn.2d 527, 151 P.3d 976 (2007) 46, 49

Cox v. Helenius, 103 Wn.2d 383, 693 P.2d 683 (1985) 26

Doyle v. Planned Parenthood, 31 Wn. App. 126, 639 P.2d 240 (1982) .. 35

Everly v. Wold, 125 Wash, 467, 217 Pac. 7 (1923) 21

First Citizens Bank & Trust Co. v. Cornerstone Homes & Dev., LLC, 178 Wn. App. 207, 314 P.3d 420 (2013) 39,40

First Citizens Bank and Trust Co. v. Reikow, 177 Wn.App. 787, 313 P.3d (2013) 43,44

Frizzell v. Murray, 179 Wn.2d 301, 313 P.3d 1171 (2013) 21, 28

Grant v. Martinez, 973 F.2d 96 (2d Cir. 1992) 49

Herron v. Tribune Publ'g Co., Inc., 108 Wn.2d 162, 736 P.2d 249 (1987) 19

Heselwood v. Bremerton Ice Arena, Inc., 137 Wn. App. 872, 155 P.3d 952 (2007) 35

In re Marriage of Kaseberg, 126 Wn. App. 546, 108 P.3d (2005) 30

Kim v. Lee, 145 Wn. 2d 79, 31 P.3d 665 (2001) 33

Landmark Dev., Inc. v. City of Roy, 138 Wn.2d 561, 980 P.2d 1234 (1999) 43

Losh Family, LLC v. Kertsman, 155 Wn. App. 458, 228 P.3d 793 (2010) 21

Mann v. Household Finance Corp. III, 109 Wn. App. 387, 35 P.3d 1186 (2001) 32

McPherson v. Purdue, 21 Wn. App. 540, 585 P.2d 830 (1978) 32

Miller v. Kenny, _____ Wn. App. ____, 325 P.3d 278 (April 28, 2014) 47-49

Moeller v. Lien, 25 Cal. App.4th 833, 30 cal. Rptr.2d 777 (1994) 27

Morgan v. Kingen, 141 Wn. App. 143, 169 P.3d 487 (2007) 48

National Electric Contractor's Ass'n v. Riverland, 138 Wn.2d 9, 978 P.2d 481 (1999) 43

Nelson v. Bailey, 54 Wn.2d 161, 338 P.2d 757 (1959) 20

Newport Yacht Basin Ass'n v. Supreme Northwest, Inc., 168 Wn. App. 86, 285 P.3d 70 (2012) 32

Ockfen v. Ockfen, 35 Wn.2d 439, 213 P.2d 614 (1950) 22

Payne v. White Swan Auto Co., 126 Wash. 550, 219 Pac. 32 (1923) 27

Peoples Nat'l Bank of WA v. Ostrander, 6 Wn. App. 28, 491 P.2d 1058 (1971) 31,31

Plein v. Lackey, 149 Wn.2d 214, 67 P.3d 1061 (2003) 26,27

Powers v. Hastings, 93 Wn.2d 709, 612 P.2d 371 (1980) 22

Rodriguez v. Loudeye Corp., 144 wn. App. 709, 189 P.3d 168 (2008) 35

Schroeder v. Excelsior, 177 Wn.2d 94, 27 P.3d 677 (2013) 44-46

Schumacher Painting Co. v. First Union Mgmt., Inc., 69 Wn. App. 693, 850 P.2d 1361 (1993) 34

Sherwood B. Korssjoen, Inc. v. Heiman, 52 Wn. App. 843, 765 P.2d 301 (1988) 22

Sixty-01 Ass'n of Apt. Owners v. Parsons, 178 Wn. App. 228, 314 P.3d 1121 (2013) 32, 33

Smith v. Pullman, 93 Wn. App. 282, 968 P.2d 904 (1998) 32

Steward v. Good, 51 Wn. App. 509, 754 P.2d 150 (1988) 27

Town of Twisp v. Methow Valley Irrig. Dist., 32 Wn. App. 132 646 P.2d 149 (1982) 23,24

Trust Fund Servs. v. Glasscar, Inc., 19 wn. App. 736, 577 P.2d 980 (1978) 35

Udall v. T.D. Escrow Services, Inc., 159 Wn.2d 903, 154 P.3d 882 (2007) 33

Washington Fed. v. Gentry, 179 Wn. App. 470, 319 P.3d 823 (2014) 40

Wilhelm v. Beyersdorf, 100 Wn. App. 836, 999 P.2d 54 (2000) 22

Yeatman v. Patrician, 144 Wash. 241, 257 Pac 622 (1927) 24

Statutes

RCW 4.84.330 50
RCW 60.04.020 21,22
RCW 61.24.030 ..... 24, 27, 46
RCW 61.24.040 ..... 24, 27, 46
RCW 61.24.050 21,32,33,34
RCW 61.24.100 42
RCW 61.24.100(4) 43
RCW 61.24.100(5) 43
RCW 61.24.100(6) 1-4,37,42,43
RCW 61.24.100(9) 43
RCW 61.24.100(11) 43
RCW 61.24.127 28
RCW 61.24.130 24,27,34
RCW 64.04.070 20
RCW 65.08.030 32

Rules

CR 15 15
CR 81 34
RAP 18.1 50

I. INTRODUCTION

Appellant Res-Wash One, LLC ("Res-One") initiated this lawsuit to obtain a post-nonjudical foreclosure deficiency judgment against respondents Mark and Joni Hinton. The defaulting borrower on the 2005 loan was Hinton Development Corporation ("HDC"). Mark and Joni Hinton were not borrowers on the loan, but they were both the grantors on the foreclosed deed of trust and guarantors of the loan.

At its core, this case is about a loan holder (Res-One) that elected and obtained the remedy of nonjudical foreclosure without, apparently, recognizing the accompanying limitations on post-foreclosure remedies imposed by Washington's Deed of Trust Act, particularly RCW 61.24.100(6).[1] This appeal is Res-One's attempt to undo its voluntary election, and reinstate the remedies it waived when it foreclosed nonjudicially. Res-One seeks to do so, years after the fact, by challenging its own nonjudical foreclosure that was properly noticed to all interested parties, completed without objection and is now beyond challenge.

After Res-One obtained summary judgment against the Hintons on

[1] If a lender nonjudicially forecloses on a deed of trust that was granted by a guarantor and secures the guaranty, RCW 61.24.100(6) limits recovery of a post-sale deficiency to the amount the foreclosed property was devalued by the grantor's waste, or the grantor wrongfully retained proceeds (e.g. rent) from the foreclose property.

the issue of liability for a deficiency, it was faced with a summary judgment motion to limit its recovery pursuant to RCW 61.24.100(6). Comprehending the consequences of its election, Res-One commenced a belated review of the 2005 loan transaction upon which it foreclosed searching for defects in its own deed of trust as a means to erase its nonjudicial foreclosure (and with it the statutory limitation on post-foreclosure remedies). Though both deeds were in the public record before the foreclosure, Res-One now seizes upon an error in the original 2005 vesting deed that was later corrected through a re-recorded deed. Res-One claims that, because of the 2005 deed error, the deed of trust upon which it foreclosed was not valid and that its foreclosure was likewise invalid.

Two years after it commenced suit, and shortly before the summary judgment hearing on application of RCW 61.24.100(6), Res-One attempted to reverse course. It moved to "amend" its Complaint, which, if allowed, would permit Res-One to change its remedy election years after it was made. It would radically change the lawsuit from an action for a post-nonjudical foreclosure deficiency judgment to a declaratory action to erase the nonjudicial foreclosure from history, a judicial foreclosure and a claim to recover the entire debt from the Hintons as guarantors.

But the time to challenge the foreclosure has long passed. If legitimate challenges to the deed of trust and, in turn, the trustee's sale

once existed, they had to be raised before the trustee's sale was completed. Since no objections were lodged, the foreclosure served as a complete adjudication of the validity of the deed of trust. For all who received proper notice, viable challenges that may once have existed are now barred. The trial court appropriately denied the "amendment," rejecting Res-One's attempt to change its election. It thereafter construed the loan documents consistent with their plain language and correctly applied the RCW 61.24.100(6) to limit Res-One's post-foreclosure recovery.

The history and circumstances surrounding the 2005 loan transaction has complexities. But because this is a post-foreclosure lawsuit, that transaction history is largely irrelevant to the core legal issues presented in this appeal. Two primary questions are presented. The first is whether a foreclosing party may seek to invalidate its own nonjudicial foreclosure, based on claimed title defects that were known through the public record, where the trustee's sale <u>was properly noticed to all interested parties and completed without objection</u> (either before or after the sale). The Court must then construe the plain language of the loan documents to determine if the foreclosed deed of trust granted by Mark and Joni Hinton secured the guaranties, thus subjecting any post deficiency judgment to the limitations prescribed by RCW 61.24.100(6).

Notably, Res-One is the successor-in-interest to the Federal

Deposit Insurance Corporation ("FDIC") Receiver, which assumed control of the loan from the failed Bank of Clark County ("Bank"). The records produced by Res-One reveal that, before assigning the loan, the FDIC evaluated the available collection options. The FDIC noted in its written foreclosure analysis: "Collateral pledged by guarantors Mark and Joni Hinton, not borrower." (CP 1109.) Evidently aware of the consequences of nonjudicial foreclosure in Washington, the FDIC concluded its evaluation: "Recommend judicial foreclosure as guarantors are believed to have significant assets and should be pursued for the anticipated deficiency balance." (CP 1111.) The FDIC then served a complaint for judicial foreclosure on HDC and the Hintons. The lawsuit was never filed, however, since the FDIC sold this commercial loan to Res-One.

When Res-One acquired the loan, it chose a course of action contrary to that recommended by the FDIC. Res-One elected to nonjudicially foreclose on the deed of trust granted by it guarantors. Its election has legal consequences. Res-One cannot avoid those consequences through a collateral attack on its own foreclosure two years after the sale was completed and its own deficiency action was nearly fully litigated. This Court should affirm the trial court's order denying Res-One's motion to amend and limiting Res-One's recovery against the Hintons to only that authorized by RCW 61.24.100(6).

II. STATEMENT OF THE CASE

A. The Bank of Clark County Made A Commercial Loan To Hinton Development Corporation That Was Secured by A Deed of Trust Granted By Mark And Joni Hinton.

In August 2004, HDC entered a purchase agreement to buy 10+ acres of land located in Battle Ground, Washington. (CP 385-403.) The property was purchased for development into a commercial center, at the time referred to as Gardner Oaks Commercial Center. (*See* CP 399, 501.)

HDC obtained financing for the purchase from the Bank of Clark County. Shortly before closing, Mark and Joni Hinton, who are the owning members of HDC, decided to take title to the property in their individual capacity. They chose to take title personally because they intended to contribute the property's value to another entity, Hinton Gardner Oaks, LLC. (CP 631, 978-79.) The Hintons communicated their desire to the Bank HDC's CFO. The Bank consented and advised that the loan would be structured with HDC as borrower (the entity developing the property), but would still be secured by a Deed of Trust against the property to be granted by the Hintons. (*Id.*) The Seller orally agreed to convey title to the Hintons personally (CP 976); thus all parties consented.

The parties proceeded toward closing in a manner consistent with this intended structure. Fidelity National Title Company of Washington ("Fidelity") served as escrow and Melissa Miller was the escrow officer.

(*See* CP 424.) The final Settlement Statement for the purchase transaction identified Mark and Joni Hinton as the Buyers, and the Hintons signed the Statement in their individual capacity. (CP 431-32.) The Hintons separately signed the escrow closing instructions in their individual capacity and as Buyer. (CP 425-28.) The record reflects that, as the transaction progressed, some title commitments issued to the Bank and HDC indicated that title would vest at closing to HDC. (*see* CP 435-47, 635-40). But a Lender's Title Policy was issued to the Bank based on title vested to Mark and Joni Hinton. (CP1193-1203.) The Owners Title Policy was issued to the Hintons personally and insured title as vested in Mark and Joni Hinton.[2] (CP 1203-09; *see also* CP 976, 980, 641-47.)

The Bank's loan documentation further confirms the parties' plan and intent for fee title in the property to vest at closing to Mark and Joni Hinton and for the Hintons to personally grant the Deed of Trust against the property. The Bank prepared <u>all</u> of the loan documents and provided them to the escrow officer to present to HDC and the Hintons for signature in the manner directed on the documents. (CP 429.) The loan documents the Bank provided to escrow included the

[2] Res-One asserts that the Hintons' owner's policy was issued in 2009 and backdated to November 23, 2005. (Brief at p. 10, n. 3.) In its briefing below, Res-One speculated that the policy "may" have been issued after 2005, but that it did not know the actual issuance date. (CP 658.) Hinton testified that the owner's policies was one of the documents that caused him to believe he personally took title to the property at closing. (CP 976, 980-82.) Res-One's unsubstantiated assertion is astonishing and not supported by the record.

- Promissory Note (naming HDC as Borrower, signature by Mark Hinton as President of HDC (CP 1124-25));

- Deed of Trust (defining Grantor as Mark and Joni Hinton (CP 991, 998), defining Borrower as HDC (CP 997), with signatures by Mark and Joni Hinton to be notarized in the "individual acknowledgment" form (CP 998-99)); and

- Hazardous Substances Certificate/Indemnity (naming the Hintons as Grantor and HDC as Borrower (CP 1002), signature by the Hintons individually for Grantor (notarized with an "individual acknowledgement" and Mark Hinton for Borrower as HDC's president (notarized with a corporate acknowledgment) (CP 1007-08)).

The Bank retained control over the loan documents through its instructions to escrow. It instructed that the loan documents could not be altered without prior Bank approval. (CP 429.) The loan closed and the Deed of Trust (Appendix B) was recorded on November 23, 2005. (*See* CP 991.)

Prior to closing, the Hintons executed separate Commercial Guaranties guarantying payment of HDC debts to the Bank. The Guaranty executed by Mark Hinton (Appendix C) is dated July 28, 2005. (CP 274-76.) The Guaranty executed by Joni Hinton is dated November 15, 1999. (CP 271-73.) The Hintons did not understand at the time of the loan closing that the Bank considered these previously executed Guaranties as guaranties for November 23, 2005 loan to HDC (*see* CP 149-53, 159-61, 179-80.) However, as discussed below (*see* Section II.F, *infra*), Res-One successfully persuaded the trial court on summary judgment that the

Guaranties, based on their plain language, guaranteed payment of the November 2005 loan. (*See* CP 301-03. *See also* CP 59-68, 201-08, 286-94.) This summary judgment ruling is not challenged on this appeal.

B. The Vesting Deed Incorrectly Identified HDC As Grantee, But Was Later Corrected To Correctly Vest Title To The Hintons.

Contrary to the parties' plan and intent, and unbeknownst to the Bank or the Hintons at the time of closing, the seller's warranty deed conveyed the property to HDC. (CP 404-06.) As is typical for deeds, it was signed only by the seller; the grantee is not required to and did not in this case sign the deed.[3] (*Id.*) Notably, while not recorded until November 23, 2005, the Seller signed the deed on November 15, 2005. (*Id.*) He signed early (before the Hintons decided to take title personally) because he was leaving the country before closing. (CP 981, 978-79.) Regardless, the escrow officer did not catch the discrepancy between the deed grantee and the other closing documents, including the Deed of Trust, and recorded the deed incorrectly reflecting HDC as grantee. (*See* CP 404-06.)

The deed was re-recorded on June 26, 2009,[4] which, notably, was during the period the FDIC assumed control of and was actively reviewing

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[3] The Excise Tax Affidavit that was a prerequisite to recording was also signed by the Seller. The Affidavit was not signed by the Hintons, but was signed by the escrow officer, as agent for the grantee. (CP 407.) Thus, this document was not seen by the Hintons before closing and would not alert the Hintons to the error on the deed.

[4] Res-One falsely asserts that the re-recorded deed is not in the record. This deed is at CP 1067-70 and is attached as Appendix A.

this loan. (*See* CP 1067-70 and Section II.C, *infra*.) The purpose of the re-recorded deed was stated on its cover page: "RE-RECORDED TO CORRECT VESTING." (CP 1067.) The correction was accomplished by crossing out HDC as grantee on a copy of the deed and then typing Mark and Joni Hinton as grantees above the line. (CP 1067-70; 1075-85, 1284.) The Hintons did not cause the re-record to occur and learned about it after-the-fact from their attorneys. (CP 632-33, 981.)

The parties gleaned some information regarding the corrected deed by locating the Tax Affidavit in the public record. The Affidavit submitted for recording with the corrected deed was signed by Fidelity escrow officer Melissa Miller, as agent for the grantor and grantee. (CP 1284.) This tracked the re-record to Fidelity. The Fidelity file was destroyed and Miller did not have a direct recollection of performing the re-record. (CP 1076-79.) Miller was able to verify the signature as hers and confirm that the Affidavit would have been prepared by Fidelity in conjunction with an action to correct and re-record the deed. (CP 1075-85.)

The June 2009 Tax Affidavit stated that the accompanying deed was re-recorded to "correct vesting." (CP 1284.) Miller testified that such a corrective action is not typical, but not uncommon. (CP 1085-85.) She testified that Fidelity would not re-record a deed without instruction (from the grantor, grantee or lender) and, even then, only if the instruction was

consistent with the transaction. (CP 1075-85.) Miller testified that prior to signing a Tax Affidavit, her normal practice is to examine the related transaction documents[5] and confirm that the correction "aligns with the transaction." (CP 1079-80.) She explained: "The vesting deed needs to match the intention of what the parties were at the time the closing was occurring." (CP 1080.) She would not sign an Affidavit that was inconsistent with other transaction documents. (CP 1082-83, 1085.) Here, the escrow instructions for the 2005 purchase transaction between Buyer and Seller authorized and instructed the escrow officer "to correct any error found in any document deposited under these instructions" (CP 1087), which included the deed provided by the Seller (CP 1086). Independently, the Owner's Title Policy issued to the Hintons authorized Fidelity to "do any other act which in its opinion may be necessary or desirable to establish title to the estate ... of the insured." (CP 1208.)

C. The Bank of Clark County Failed; And The FDIC Assumed Control Of And Evaluated The Loan.

After the transaction closed, the Bank continued to hold and manage the loan through December 2008. The original maturity date on the Note was December 1, 2006. (CP 1124.) However, the Bank extended the due date to January 1, 2009 through five consecutive Change in Terms

[5] Miller testified that she would examine the purchase agreement, loan documents, instructions and other documents pertaining to the transaction the transaction. (CP 1081.)

Agreements. (CP 450-54.) The Bank internally tracked information on the loan through "Boarding Data Reports." (CP 1018-39.) In at least eight different Boarding Data Reports prepared from November 22, 2005 through December 8, 2008, the Bank confirmed that the Borrower on this loan is HDC, the Guarantors are the Hintons and the real property pledged to secure the debt was owned by the Hintons personally. (*Id.*)

On January 16, 2009, the Bank was closed and the FDIC was appointed the receiver. (CP 72, 1119.) The records produced by Res-One reveal that the FDIC immediately evaluated the loan in a manner consistent with normal pre-collection due diligence.

The FDIC obtained two appraisals on the Property. (CP 1272-83, 1062-65.) The FDIC instructed the first appraiser that it was required to obtain a title report and a copy of the deed. (CP 1283.) This appraiser identified the November 23, 2005 deed conveying title to HDC and reported that HDC was the record owner of the property. (CP 1278.) The second valuation, prepared on April 13, 2009, also identified HDC as the record owner through the same deed. (CP 1065.)

Recall that the corrected deed was recorded on June 26, 2009. (CP 1067-70, 1284-86.) Recall also that Miller testified that Fidelity would have taken the action at the instruction of a party to the transaction – the Seller, Buyer or Lender. (CP 1075-85.) The Hintons did not instruct

Fidelity to correct the deed. (CP 632-33, 981.) The record is silent regarding instruction from the Seller and the Lender or its successors. It does contain a First American Loss Mitigation Title Services Property Information Sheet dated September 11, 2009 that Res-One produced.[6] (CP 1104-1107.) This report advises that title to the property is vested in Mark and Joni Hinton and specifically notes the re-recorded deed. (CP 1104.) On August 5, 2009, the FDIC received a Phase I Environmental Assessment. (CP 1090-1103.) The Phase I, prepared after the re-record, identified the Hintons as the property's record owners. (CP 1091.)

Finally, the documents produced reveal that the FDIC prepared a Short Form Foreclosure Case (CP 1109-1112) and recommended a judicial foreclosure to its Credit Review Committee. (CP 1108). In the Short Form Foreclosure Case, the FDIC confirmed that it conducted its due diligence, stating that it reviewed the loan documents and obtained among other things, a Title Opinion, Appraisals and an Environmental Report. (CP 1111.) Having reviewed the Deed of Trust language, the FDIC noted: "Collateral pledged by guarantors Mark and Joni Hinton, not borrower." (CP 1109.) The FDIC concluded its evaluation: "Recommend

[6] Rialto Capital Management LLC ("RCM") manages this loan for Res-One and maintains the loan documents and other written relevant records. (CP 70-71.) Documents produced by Res-One in this litigation bear a bates stamp number in the bottom right corner of each page beginning with "RCM." Presumably Res-One obtained the document from the FDIC, since it was prepared after the FDIC assumed control of the loan but before it was assigned to Res-One.

judicial foreclosure as guarantors are believed to have significant assets and should be pursued for the anticipated deficiency balance." (CP 1111.)

The FDIC proceeded and served HDC and Mark and Joni Hinton with a Complaint for Breach of Contract, Foreclosure of Security Interest, and Deficiency Claim dated December 9, 2009. (CP 1287-1326.) On December 31, 2010, the Hintons' attorney served a Notice of Appearance for the unfiled suit. (CP 1288, 1324-26.) The lawsuit was never filed, however, because the FDIC sold this commercial loan to Res-One.

D. The FDIC Sold The Loan To Res-One; And Res-One Elected To Non-Judicially Foreclose On The Deed Of Trust.

Effective February 9, 2010, the FDIC assigned the loan and Hinton Deed of Trust to Multibank 2009-1 RES-ADC Venture, LLC (CP 8, 26-31, 72), which in turn assigned the loan and Deed of Trust to Res-One on September 23, 2010 (CP 9, 32-38, 72). Rialto Capital Management, LLC manages this loan for Res-One and maintains the written records associated with the loan, including the FDIC records that Res-One produced in this litigation. (CP 70-71.)

On July 10, 2010, the Hintons' attorney, who appeared in the unfiled FDIC judicial foreclosure lawsuit, had a telephone conversation with attorney Christine Kosydar of Stoel Rives, LLC, who at that time

identified herself as counsel for Rialto.[7] (CP 1288.) In that telephone conversation the two attorneys discussed the FDIC judicial foreclosure action. (*Id.*) But, Res-One chose not to continue and complete the judicial foreclosure. Instead it pursued and obtained a nonjudicial foreclosure.

On December 10, 2010, Res-One obtained a Trustee's Guarantee from Fidelity which insured the title to be sold by the Trustee under her power of sale as vested in Mark and Joni Hinton. (CP 1220-28.) Through its attorneys, Res-One sent a Notice of Default (210-222) to HDC and the Hintons and advised that the Not and Deed of Trust were in default and that failure to cure will result in foreclosure by a Trustee's Sale. (CP 215-19.) The Default Notice, attached as Appendix E, made clear to HDC and the Hintons the consequence of a Trustee's Sale – it would deprive the recipients of the notice of all interests in the property (CP 218.)

The default was not cured and Res-One designated its attorneys, Stoel Rives, LLC, as Successor Trustee to the Hinton Deed of Trust. (*See* CP 73, 230, 237, 1173.) The Trustee sent both HDC and the Hintons, as well as all others with any claimed interest in the property, a Notice of Trustee's Sale and a Notice of Foreclosure advising that a Trustee's Sale would be held on June 3, 2011.[8] (CP 210-11, 223-85.) The Notice of

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[7] Recall that Rialto Capital Management LLC is the asset manager for Res-One. (CP 70.)

[8] The two Notices and the Affidavit of Mailing are attached as Appendices F through H.

Trustee's Sale informed that the Trustee's sale would "deprive the Grantor and all those who hold by, through or under Grantor of all their interest" in the property. Both Notices provided instruction for the means by which the sale may be challenged, and warned that failure to invoke those mechanisms could result in waiver of otherwise viable challenges to the sale. (CP 229, 236.) Finally, the Notice of Trustee Sale advised potential purchasers that the successful bidder at the Trustee's Sale would receive title to the property "without warranty, express or implied. (CP 227-28.)

No objections were lodged, the Trustee's Sale was held and Res-One was the successful bidder. (CP 73.) A Trustee's Deed (Appendix D) was recorded and delivered to Res-One, thereby completing the foreclosure and rendering the sale final. (CP 1172-76.)

E. After Completing The Foreclosure, Res-One Commenced Suit Against The Hintons To Obtain A Deficiency Judgment.

On July 19, 2011, Res-One commenced this lawsuit against Mark and Joni Hinton for the purpose of obtaining a post-nonjudical foreclosure deficiency judgment based upon the Guaranties.[9] (CP 1-53.) As it did in it pre-foreclosure Notices, Res-One acknowledged in its Complaint that the Hinton granted the foreclosed Deed of Trust. (CP 2-3, 15-26.) The Complaint is founded upon the Trustee's Sale, a claimed deficiency

[9] Hinton Industrial Contractor's, Inc. also executed a Guaranty (CP 46-49) and was also named in this lawsuit (CP 1-5), but was voluntarily dismissed. (CP 756-57.)

following that nonjudicial foreclosure and purported liability for the post-foreclosure deficiency under the Guaranties. (CP 3-4.)

F. Res-One Successfully Obtained Partial Summary Judgment That, Under The Plain Language Of The Guaranties, The Hintons Are Liable For A Post Foreclosure Deficiency.

On September 28, 2011, Res-One moved for summary judgment. Res-One again affirmatively identified HDC as the Borrower and the Hintons as the Deed of Trust Grantors and Guarantors. (CP 59-60, 70-72.) Res-One also affirmatively stated that pre-sale notices were provided and the Trustee's Sale was conducted consistent with all legal requirements in the Deed of Trust Act, chapter 61.24 RCW (CP 61-62, 64, 71-72.)

The Hintons defended that the Guaranties were executed prior to the November 23, 2005 loan and were not intended to guarantee the subsequent loan. (*See* CP 149-53, 159-61, 179-80.) But the Hintons defense did not prevail. Res-One successfully persuaded the trial court that the Guaranties, based on their plain language, guaranteed payment of the November 2005 loan to HDC. It persuaded the trial court that parol evidence of any parties' intent or understanding may not be applied to alter express contract terms. (*See* CP 301-03. *See also* CP 59-68, 201-08, 286-99.) With the issue of liability fully litigated, the parties proceeded toward a fair value hearing to determine the amount of the deficiency, if any, pursuant to RCW 61.24.100 (RP (5/25/12) at p. 21-22).

G. The Hintons Moved For A Summary Judgment Determination That Their Liability For A Deficiency Is Limited To That Authorized By RCW 61.24.100(6).

On September 7, 2012, well in advance of the fair value hearing, the Hintons moved for partial summary judgment seeking a determination that the Hintons' liability for a deficiency judgment is limited by RCW 61.24.100(6). Specifically, the Hintons argued that, because they granted the foreclosed Deed of Trust and, by its terms, the Deed of Trust secured the guarantee obligations, RCW 61.24.100(6) limits Res-One's recovery only to the amount the foreclosed property was devalued by the grantors' waste or any property proceeds (e.g. rent) wrongfully retained. (CP 310-322.) The Hintons based their motion on the plain language of the loan documents upon which Res-One sued. (*See* CP 323-77.)

The Hintons noted their motion for November 2, 2012, well before the January 18, 2013 fair value hearing. The Hintons agreed to postpone, however, to accommodate Res-One's request to conduct additional discovery and the fair value hearing was also postponed. (*See* CP 863-65.)

Res-One finally responded to the Hintons' motion eight months later, on May 31, 2013, with a cross-motion for summary judgment. (CP 649-74.) Res-One no longer asked the trial court to construe the loan documents based upon their plain language. On this later motion, Res-One Asked the trial court to ignore that the Deed of Trust expressly defined the

terms Grantor and Borrower. Instead, contrary to its express words, Res-One argued that the Bank intended HDC to be both Borrower and Grantor of the Deed of Trust, and that the Hintons signed as agents for HDC. Contrary to its successful position on the first summary judgment, Res-One also asked the trial court to embrace the Hintons' testimony regarding their subjective intentions for the Guaranties to construe the Deed of Trust in a manner that contradicts its plain words. (CP 660-62.)

H. Two Years After Filing Suit And On The Eve Of The Summary Judgment Hearing, Res-One Moved To Amend Its Complaint To Vacate Its Nonjudicial Foreclosure, Commence A Judicial Foreclosure And Reinstate Waived Remedies.

On June 6, 2013, two years after its June 10, 2011 foreclosure and fifteen months after it successfully litigated liability on partial summary judgment, Res-One moved to amend its complaint to effectively rescind its prior election to nonjudicially foreclose. Res-One proposed an amended complaint that would declare the June 10, 2011 Trustee's Sale and the delivered Trustee's Deed invalid, reform the already enforced and foreclosed Deed of Trust, judicially foreclose and substantially expand Res-One's claim against the Hintons from a claimed post-foreclosure deficiency to a claim for the full amount of the HDC debt. (CP 679-737.)

Without offering any explanation why it failed to review these documents in the public record pre-foreclosure, Res-One based its belated

request on the November 23, 2005 deed erroneously identifying HDC as grantee and the corrected deed re-recorded on June 26, 2009. Res One attacked the validity of its own Deed of Trust. In their motion, Res-One claimed that "the Trustee's Deed delivered to plaintiff on the nonjudicial foreclosure and did not deliver marketable title." (CP 681.)

The trial court rejected Res-One's arguments. It denied the proposed amendment that would have substantially altered the nature of the action at a time when the litigation was nearing completion. The trial court also applied RCW 61.24.100(6) to the plain language of the loan documents and held that Res-One's deficiency recovery is limited to waste or wrongfully withheld property proceeds. (CP 752-54.) Res-One then abandoned its claim and chose not to present evidence at a fair value hearing. (CP 870.) Thereafter, the trial court awarded the Hintons their attorneys' fees defending this action pursuant to the Guaranties and RCW 4.84.330. (CP 911-18.) Res-One appealed these decisions. (CP 760-66.)

III. ARGUMENT

A. The 2011 Trustee's Sale Is Final And Immune To Challenge; The Trial Court Did Not Abuse Its Discretion When It Rejected Res-One's Request To Amend Its Complaint To Vacate Its Own Foreclosure.

A decision to deny leave to amend pleadings is within the sound discretion of the trial court and will not be overturned absent a manifest abuse of discretion. *Herron v. Tribune Publ'g Co., Inc.*, 108 Wn.2d 162,

165, 736 P.2d 249 (1987). Here, the trial court properly exercised its discretion to deny the amendment to challenge a final sale and radically alter the lawsuit two years after filing and after summary judgment was granted in Res-One's favor.

The foundation of Res-One's challenges is its claim that the Deed of Trust did not attach to the property prior to the foreclosure because only HDC, and not the Hintons, ever held title to the property. According to Res-One, this "defect" in the Deed of Trust so irreparably contaminated the Trustee's Sale that it rendered the Sale invalid. Of course, if this foundation fails, Res-Ones' challenges to the foreclosure also fail.

The Deed of Trust did, in fact, attach to the property, at the latest, when Fidelity corrected the vesting deed. Even if the corrected deed failed to vest title to the Hintons and the Deed of Trust remained "defective," the Trustee's Sale is nonetheless final and valid. It is immune from Res-One's belated attack because all interested parties were duly noticed and the exclusive statutory pre-sale remedies were not invoked.

1. If the Deed of Trust was "defective" when originally granted, the corrected deed cured the defect.

If the corrected deed effectively vested title to the Hintons, the Hintons' after-acquired title inured to the benefit of Res-One as the beneficiary to the Deed of Trust. RCW 64.04.070; *Nelson v. Bailey,* 54

Wn.2d 161, 338 P.2d 757 (1959); *Everly v. Wold,* 125 Wash, 467, 469, 217 Pac. 7 (1923). Moreover, RCW 61.24.050(1) specifically provides that a trustee's deed conveys to a trustee sale purchaser the deed of trust grantor's after-acquired rights. Res-One thus attacks the validity of the corrected deed because it prefers a conclusion that its own Deed of Trust is somehow defective. Such a conclusion is necessary to advance Res-One's objective to undo its foreclosure election.

Toward this objective, Res-One invokes the formality requirements RCW 60.04.020, of the real property statute of frauds. It argues that the re-record was ineffective to vest title to the Hintons because the deed was not signed again by the Seller/Grantor after it was corrected. Of course, "[t]he purpose of the statute of frauds is 'the prevention of fraud arising from the uncertainty inherent in oral contractual undertakings,'" in this case, the Seller's oral agreement to convey title to the Hintons personally. *Losh Family, LLC v. Kertsman,* 155 Wn. App. 458, 465, 228 P.3d 793 (2010). Where there is a sufficient quantum of proof to remove that doubt, "the reason for the statute's application similarly disappears." *Id.* Here, Res-One does not invoke the formalities of the statute of frauds to prevent a fraud, but instead as a means to set up a collateral attack on its own completed foreclosure and, correspondingly, reinstate waived remdies.

Res-One cites no Washington authority that the formality

requirements of RCW 60.04.020 where an otherwise compliant deed is corrected consistent with the parties' intent and escrow instructions. Courts strictly construe the statute of frauds and it will not be applied in cases not squarely within its terms. *Sherwood B. Korssjoen, Inc. v. Heiman,* 52 Wn. App. 843, 852, 765 P.2d 301 (1988). *See also, Powers v. Hastings,* 93 Wn.2d 709, 722, 612 P.2d 371 (1980).

Even if applicable, Washington courts have in certain circumstances relaxed the formalities of RCW 60.04.020. Courts have excused imperfect compliance to enforce deeds that were not properly acknowledged,[10] and, in appropriate circumstances, where there were scrivener's errors.[11] Courts will also do so where a deed is signed by the grantor in blank, leaving the grantee unidentified. In such cases the grantee may be filled in without further grantor action so long as authorized by the grantor. The Washington Supreme Court articulated the rule in *Barth v. Barth,* 19 Wn.2d 543, 554, 143 P.2d 542 (1943).

> A number of states have adopted the rule that authority subsequently to insert the grantee's name in a deed must be in writing. In this state, however, we have followed what we think is the more reasonable rule, that a deed in which the name of the grantee is left blank but which is otherwise lawfully executed will vest title in a person whose name is subsequently inserted therein as grantee by one having authority

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[10] *See Ockfen v. Ockfen,* 35 Wn.2d 439, 441, 213 P.2d 614 (1950).

[11] *See Wilhelm v. Beyersdorf,* 100 Wn. App. 836, 843-44, 999 P.2d 54 (2000).

> may ordinarily be inferred from the fact of possession of the deed by the person who fills in such blank. (Citations omitted.)

Res-One asserts that the rule does not apply because Fidelity made the correction without further signature or other authorization from the Seller/Grantor. The record belies Res-One's assertion.

Res-One alleges that the re-record was done without the "consent, permission or knowledge" of the Bank, the FDIC, Res-One, the Seller or the Hintons. (Brief at p. 20.) The record does not corroborate the allegation. While Mark Hinton affirmatively testified that he did not cause and was unaware of the re-record (CP 632-33, 981), no such testimony was provided from the Seller or any representative of the Bank, FIDC or Res-One. The record is simply silent in this regard. It could be inferred from the record that the correction was done at the request of the FDIC, given that it occurred during the time the FIDC was actively evaluating the loan collateral. (*See* Section II.C, *supra*.) Regardless of such inference, the one challenging the validity of a deed bears the burden of proof. *Town of Twisp v. Methow Valley Irrig. Dist.*, 32 Wn. App. 132, 135, 646 P.2d 149 (1982). (holding that challenger failed to present evidence that deeds were ultra virus, noting "while there is no evidence showing compliance with these statutory requirements, there is also no evidence showing noncompliance.") There is a complete failure of proof for Res-One's

allegation that the correction was unauthorized. Indeed, the record contains unchallenged evidence to the contrary.

The evidence establishes that the 2005 escrow instructions between the Seller and Buyer (which identified the Hintons as Buyer) authorized Fidelity to correct the deed deposited by the Seller to make it consistent with the parties' intent. (CP 1086-87). The Hintons provided separate, additional authorization by accepting the Owner's Title Policy, which insured title as vested to the Hintons and entitles Fidelity to "do any other act which in its opinion may be necessary or desirable to establish title to the estate … of the insured." (CP 1208.) This alone is sufficient to defeat Res-One's unsubstantiated challenge. The unchallenged testimony of the escrow officer, who conducted the 2005 closing and also signed the Tax Affidavit for the re-record, further validates the correction as consistent with the parties' authorization and intent. (*See* CP 1975-85.)[12]

Again, it was Res-One's burden to prove its challenge to the corrected deed as unauthorized. *Town of Twisp,* 32 Wn. App. at 135. It did not meet its burden; and this failure guts Res-One's challenges to its Deed of Trust. Title was vested in the Hintons at the very latest in 2009; and

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[12] Res-One emphasizes post-closing representations regarding ownership made by HDC's project manager to the City of Battleground during the permitting process. The representations were not made by Mark Hinton (CP 983-89), and in any event, were made post-closing to persons or entities that were not parties to the closing.

their after-acquired titled inured to the benefit the beneficiary of the Deed of Trust and was conveyed in the Trustee's Deed.

The validity of the foreclosure does not, however, hinge on the validity of the corrected deed. If HDC retained an interest in the property, it waived any challenge to the Deed of Trust, and HDC's interest was foreclosed, when it failed to invoke the exclusive pre-foreclosure remedies provided by the Deed of Trust Act. Independently, Res-One knowingly purchased the property at the sale without warranties of title and with full notice of the purported defects. If Res-One received imperfect title, it is without basis to challenge the sale based upon the known imperfection.

2. If HDC retained title and had a viable challenge to the Deed of Trust, HDC waived its challenge by failing to invoke statutory pre-sale remedies in RCW 61.24.130.

Res-One's argument is based upon a hypothetical HDC title claim. In fact, HDC has not made a claim to the property (which Res-One still holds), and there is no evidence from which to infer that HDC is even considering a claim. While Res-One presents no legal authority to demonstrate standing to do so, it champions HDC's hypothetical claim to advance its own appeal and undo its election to foreclose.

But the Deed of Trust Act does not allow post-sale challenges such as presented here. HDC's "claim," even if once legitimate, is no longer legally viable. HDC was properly noticed of the foreclosure and failed to

employ the exclusive remedies provided by the Deed of Trust Act. HDC thus waived any claim; and any property interest it held was foreclosed.

The Deed of Trust Act should be applied consistent with its three goals: "(1) the nonjudicial foreclosure process should remain efficient and inexpensive; (2) the process should provide an adequate opportunity for interested parties to prevent wrongful foreclosure; and (3) the process should promote the stability of land titles." *Plein v. Lackey,* 149 Wn.2d 214, 227-8, 67 P.3d 1061 (2003). Consistent with these goals, the Act discourages post-sale challenges. It does so in three ways:

> First, the Act does not expressly provide for any court actions to contest a completed trustee's sale. Second, the Act indicates that the right to contest a completed sale may be waived by a party's failure to bring a pre-sale injunction action. Finally, the Act requires that the trustee's deed issued to the purchaser 'recite the facts showing that the sale was conducted in compliance with all of the requirements" of the Act and the particular deed of trust. This recital of statutory compliance is 'prima facie evidence of such compliance and conclusive evidence there in favor of a bona fide purchasers and encumbrancers for value."

Id. at 228.

The Act provides the only means by which a grantor, borrower or any other interested party given notice may avoid a trustee sale. *Cox v. Helenius,* 103 Wn.2d 383, 388, 693 P.2d 683 (1985). The Act allows any interested party to seek to restrain a sale "on any proper legal or equitable

ground." RCW 61.24.130; *Plein,* 149 Wn.2d at 225. But the Act contemplates that the remedies are invoked before the sale is completed.

> The Washington deed of trust act specifically sets forth safeguards to protect against wrongful foreclosure, namely RCW 61.24.030(6)(j); RCW 61.24.040(2), wherein the grantor may contest the default; or 61.24.130(1), wherein the grantor may enjoin or restrain the sale. The Legislature did not intend there to be further lengthy proceedings after the trustee's sale regarding possession of the property or challenges to the underlying obligation. It is true that challenges to the foreclosure procedure itself are properly raised in a subsequent action, but the courts will not allow a grantor to delay until after the sale because it would "defeat the spirit and intent of the deed of trust act." (citations omitted, emphasis added.)

Steward v. Good, 51 Wn. App. 509, 516-17, 754 P.2d 150 (1988).

Thus, failure to pursue the statutory presale remedy may result in waiver of even legitimate challenges. *Frizzell v. Murray,* 179 Wn.2d 301, 306-07, 313 P.3d 1171 (2013). The Act effectively implements the rule that a properly noticed nonjudicial foreclosure is a complete adjudication, beyond collateral attack, of the validity of the mortgage (even if the mortgage was voidable before the sale) and the right to foreclose it. *Payne v. White Swan Auto Co.,* 126 Wash. 550, 553, 219 Pac. 32 (1923); *Yeatman v. Patrician,* 144 Wash. 241, 245, 257 Pac. 622 (1927). *See also, Moeller v. Lien,* 25 Cal. App.4th 822, 831, 30 Cal. Rptr.2d 777 (1994) ("A properly conducted nonjudicial foreclosure sale constitutes a final

adjudication of the rights of the borrower and the lender.")

In the context of nonjudicial foreclosures, waiver is an equitable principle that will apply to defeat someone's legal rights "where the facts support an argument that the party relinquished their rights by delaying in asserting or failing to assert an otherwise available adequate remedy." *Albice v. Premier Mortg. Servs. of Wash., Inc.,* 174 Wn.2d 560, 569, 276 P.3d 1277 (2012). Waiver of any post-sale contest occurs where a party "(1) received notice of the right to enjoin the sale, (2) had actual or constructive knowledge of a defense to foreclosure prior to the sale, and (3) failed to bring an action to obtain a court order enjoining the sale." *Frizzell,* 179 Wn.2d at 306-07. Any attempt to "unsettle the deed of trust and invalidate the foreclosure sale" is subject to waiver. *Id.* at 312.[13]

All three elements of waiver are satisfied here. First, HDC received notice. The Notice of Default, sent directly to HDC, made clear the consequences of a Trustee's Sale:

> The effect of a Trustee's Sale ... will be <u>to deprive you, or your successors in interest</u>, and all those who hold by, through or under you, <u>of all of your interest in the property</u> described in Paragraph 1 above....

[13] In 2009, the legislature added RCW 61.24.127 to the Act. For deeds of trust against a person's home, the Act provides that a borrower's failure to enjoin a sale will not waive a claim for <u>damages</u>. The amendment states that "[t]he claim may not seek any remedy at law or in equity other than monetary damages." RCW 61.24.127(2)(b). It further provides that a post-sale claim "may not affect in any way the validity or finality of the foreclosure sale or a subsequent transfer of the property." RCW 61.24.127(2)(c). The amendment confirms that Act's prohibition against efforts to invalidate a completed Trustee's Sale.

(CP 218, Appendix E (emphasis added).)

The foreclosure notices gave instruction on the means to challenge the sale. The Notice of Trustee's Sale advised:

> *Anyone* having *any* objection to the sale on any grounds whatsoever will be afforded an opportunity to be heard as to those obligations if they bring a lawsuit to restrain the sale pursuant to RCW 61.24.130. Failure to bring such a lawsuit may result in waiver of any proper grounds for invalidating the Trustee's Sale.

(CP 229 (emphasis added).) The Notice of Foreclosure's disclosure provided detailed description of the statutory remedies and warned:

> If you do not fully satisfy the secured obligation and your Deed of Trust in the manner set forth above, or if you do not succeed in restraining the sale by court action, your property will be sold. The effect of the sale will be to deprive you and all those who hold by you, through or under you of all interest in the property. (CP 236.)

Second, HDC had actual or constructive knowledge of its so-called claim to title. Mark Hinton signed the Deed of Trust in his individual capacity, but since he was HDC's president, HDC would know of the grant (and the publicly recorded deeds) potentially giving rise to a claim. Finally, third, HDC did not seek or obtain an order restraining the sale.

If HDC had a challenge to the Deed of Trust or claim to the property, that claim is now waived. *See Brown v. Household Realty Corp.*, 146 Wn. App. 157,164-66, 189 P.3d 233 (2008) (fraud challenges waived because facts related to the challenge were constructively known prior to

the sale); *In re Marriage of Kaseberg,* 126 Wn. App. 546, 558-59, 108 P.3d (2005) (wife could not collaterally attack loan and deed of trust in divorce proceedings because she waived challenges by failingto invoke pre-sale remedies); *Peoples Nat'l Bank of WA v. Ostrander,* 6 Wn. App. 28, 32-33, 491 P.2d 1058 (1971) (grantor waived fraud challenges).

Res-One cites *Bavand v. One West Bank, FSB,* 176 Wn.2d 475, 309 P.3d 636 (2013), and *Albice, supra,* to support its post-sale challenge. In both cases, however, there was a material failure to comply with the Deed of Trust Act that rendered the trustee without the statutory authority to conduct the sale, thereby allowing the rare post-sale challenge.[14]

Here, there were no violations of the Act and none were alleged. The Trustee attested on its Deed that "[a]ll legal requirements and all provisions of the Deed of Trust have been complied with, as to acts to be performed and notices to be given, as provided in Chapter 61.24 RCW" (CP 1173), providing presumptive evidence of compliance.

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[14]In *Bavand*, the trustee was not designated by a deed of trust beneficiary so qualified under the Act. The unauthorized appointment divested the trustee of the statutory power of sale. 176 Wn. App. at 48-88. *Bavand* held that the trustee's conduct of a sale without proper appointment was a "material failure to comply" with the Act. 176 Wn. App. at 490. The sale was thus void and subject to a post-sale challenge. *Id.* at 492.

In *Albice*, the trustee conducted the sale more than 120 days after the original sale, contrary to the time limit in RCW 61.24.040(6). The *Albice* court held: "When a party's authority to act is prescribed by statute and the statue includes time limits, as under RCW 61.24.040(6), failure to act within that time violates the statute and divests the party of statutory authority. 174 Wn.2d at 568. The procedural irregularity in *Albice* also divested the trustee of the statutory power of sale render the sale invalid. 174 Wn.2d at 568-69.

To the extent either HDC or the Hintons held valid challenges to the Deed of Trust, they were waived. The foreclosure was valid and there is no basis to set aside the Trustee's Sale. To allow Res-One to challenge its own Trustee's Sale based upon these waived claims "at this late stage in the proceeding would be to defeat the spirit and intent of the [Act]." *Peoples Nat'l Bank of W.,* 6 Wn. App. at 32. Moreover,

> Challenging the trustee's deed after the sale undermines the policy of land title stability. If trustee's deeds are easy to challenge, secured lenders will not lend on, and buyers will not purchase real property with the title obtained through the trustee's deed

Amresco Independence Funding, Inc v. SPS Properties, LLC, 129 Wn. App. 532, 538, 119 P.3d 884 (2005). Res-One's belated challenge is without legal merit and contrary to the objectives of the Deed of Trust Act.

3. Res-One cannot attack the sale based upon alleged "title defects" that were disclosed in the public record.

Since the only potential Sale "challenges" were waived, Res-One received marketable title via the Trustee's Deed. Even if there was a cloud on title, it does not provide a basis to vacate the Sale. The title conferred to Res-One is consistent with that contemplated by the Deed of Trust Act.

The Act describes the interest conveyed by Trustee's Deed:

> Upon physical delivery of the trustee's deed to the purchaser ... following the trustee's sale, <u>the trustee's deed shall convey all of the right, title, and interest in the real and personal property</u> sold at the trustee's sale <u>which the grantor had or had the power to convey at</u>

> the time of the execution of the deed of trust, and such as the grantor may have thereafter acquired....

RCW 61.24.050(1) (emphasis added). "The Trustee sells only the title he or she receives;" the Act does not assure that the grantor of a foreclosed deed of trust held perfect title. *Mann v. Household Finance Corp. III,* 109 Wn. App. 387, 392, 35 P.3d 1186 (2001). Res-One's Notice of Trustee's Sale was in accord, advising potential purchasers: "The sale will be made without warranty, express or implied, regarding title, possession or encumbrances." (CP 227.) The Trustee's Deed delivered to Res-One was also in accord, conveying title "without warranty." (CP 1173.)

Moreover, the deeds giving rise to the claimed "defect" were in the public record, giving Res-One constructive, if not actual knowledge. *Sixty-01 Ass'n of Apt. Owners v. Parsons,* 178 Wn. App. 228, 234, 314 P.3d 1121 (2013); *Newport Yacht Basin Ass'n v. Supreme Northwest, Inc.,* 168 Wn. App. 86, 106, 285 P.3d 70 (2012).[15] It is incumbent upon a purchaser to conduct a chain of title if he wishes to protect himself from defects in title. *McPherson v. Purdue,* 21 Wn. App. 450, 453, 585 P.2d 830 (1978). A purchaser at a foreclosure sale "should not be relieved of the purchase simply because he had a mistaken belief as to the title he would receive

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[15] Deeds that have not been "executed or acknowledge in conformance with the law" impart the same notice when recorded as fully compliant deeds. RCW 65.08.030. *See also, Smith v. Pullman,* 93 Wn. App. 282, 288-89, 968 P.2d 904 (1998).

where he failed to seek information by examination or inquiry." *Sixty-01 Ass'n of Apt. Owners,* 178 Wn. App. at 234.[16]

Once a trustee accepts a bid at the sale, the sale is final and the trustee is required to deliver a deed to the successful bidder. RCW 61.24.050; *Udall v. T.D. Escrow Services, Inc.,* 159 Wn.2d 903, 911, 154 P.3d 882 (2007). "A Trustee cannot withhold delivery unless the sale itself was void due to procedural irregularity that defeated the trustee's authority to sell the property." *Udall,* 159 Wn.2d at 911, 916. Here, Res-One was in control. It had all the information required to assess the validity of its own Deed of Trust, including access to the publicly recorded deeds and the FDIC's recommendations. Still, it instructed the Trustee to conduct the Sale. As the highest bidder, Res-One received title as contemplated by the Act. If it received unmarketable title, Res-One has only itself to blame. Res-Ones belated challenge is unwarranted and without legal basis.

4. CR 15 does not support Res-One's attempt to reverse it remedy election through a post-sale challenge.

Res-One's proposed amended complaint is a thinly veiled effort to avoid the legal consequence of its remedy election – an election that resulted in a completed foreclosure pursuant to the Deed of Trust Act.

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[16] If Res-One obtained an ALTA owner's policy (CP 1178-82) insuring the title it received via the Trustee's Deed against any loss due to unmarketable title (CP 1179). If Res-One is damaged by a defect in title, it has a remedy and its recourse is against the title company. *See e.g. Kim v. Lee,* 145 Wn.2d 79, 91-92, 31 P.3d 665 (2001).

Res-One's reliance upon CR 15 as a vehicle to unwind its own foreclosure (and "undo" its consequential election) is thus misplaced. Where special proceedings are governed by statute, "general civil rules are not applicable." *See Schumacher Painting Co. v. First Union Mgmt., Inc.*, 69 Wn. App. 693, 700, 850 P.2d 1361 (1993), (*citing* CR 81(a) and finding CR 15 inapplicable in lien foreclosure claim).[17] A trustee's sale under the Deed of Trust Act is such a special proceeding.

The Act sets forth a strict process for conducting a trustee's sale. *See, Bain v. Metropolitan Mortgage Group, Inc.,* 175 Wn.2d 83, 107-08, 285 P.3d 34 (2012) ("The legislature has set forth in great detail how nonjudicial foreclosures may proceed.") RCW 61.24.130 provides the exclusive means by which to challenge a sale; and directs that the challenge must be asserted <u>before</u> the sale. Once the trustee accepts a bid and delivers a deed to the highest bidder, the sale is final. *See.* RCW 61.24.050(1). CR 15 should not be applied to facilitate an end-run around the Act's exclusive procedure for challenging a trustee's sale.

Even if Res-One could rely on CR 15, it fails to demonstrate that

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[17] In *Schumacher Painting*, the plaintiff sued to foreclose a materialmen's lien that identified the wrong entity as property owner and then attempted to add the correct owner by amending its complaint and invoking relation back under CR 15(c). 69 Wn. App. at 696. The appellate court observed that "[l]ien foreclosures are special proceedings and therefore general civil rules are not applicable." *Id.* at 700. It thus held that CR 15(c) did not apply and "failure to comply with the statutory service requirements" of the lien foreclosure statute was proper grounds to deny amendment. *Id.* at 700-01.

the trial court abused its discretion. "The touchstone for denial of an amendment is the prejudice such amendment would cause the nonmoving party." *Caruso v. Local Union No. 690 of Int'l Bhd. of Teamsters,* 100 Wn.2d 343, 350, 670 P.2d 240 (1983). "In determining prejudice, a court may consider undue delay and unfair surprise as well as the futility of amendment." *Heselwood v. Bremerton Ice Arena, Inc.*, 137 Wn. App. 872, 889, 155 P.3d 952 (2007). Courts have repeatedly recognized that a motion to amend after a motion for summary judgment is prejudicial. *Id.* at 890-91 (allowing party "to pursue entirely new theories of liability at this stage would prejudice the other parties' interests in promptly resolving the claims."). *See also, Doyle v. Planned Parenthood*, 31 Wn. App. 126, 130–31, 639 P.2d 240 (1982); *Trust Fund Servs. v. Glasscar, Inc.*, 19 Wn. App. 736, 745, 577 P.2d 980 (1978).

Here the amendment, if allowed, would greatly prejudice the Hintons. The amendment (which is based on information that was always in the public record) was proposed two years after Res-One commenced suit, fifteen months after it obtained summary judgment on liability and on the eve of the Hintons' summary judgment that was founded upon Res-One's election to nonjudicially foreclosure. The amendment would radically change the nature of the lawsuit from a post-sale deficiency action to declaratory judgment action to invalidate the Trustee's Sale

foreclose judicially, thereby stripping the Hintons of a defense and substantially expanding Res-One's claim against the Hintons. The Hintons chose not to challenge the Trustee's Sale, expecting the benefit of a less expensive and efficient process and knowing that it would limit Res-One's post-sale remedies. Allowing Res-One to pursue entirely new theories of liability at this stage would certainly prejudice not only the Hintons' interests in promptly resolving the claims, but unfairly expose them to claims that Res-One would otherwise have waived.

Finally, Res-One contends that the trial court abused its discretion because "the reasons for denying the Motion are not apparent in light of the circumstances shown in the record." (Brief at 29.) But only four pages earlier, Res-One writes: "presumably, the court denied the Motion to Amend for the same reason that it granted the Hinton's Summary Judgment Motion and denied Appellant's Cross-Motion." *Id.* at 25. Res-One's entire appeal is based upon its clear understanding of the "predicates" for the trial court's summary judgment and amendment denial. It is thus disingenuous for Res-One to argue that the reasons for the trial court's denial are not apparent from the record.

While a trial court's failure to explain its reason for denying <u>may</u> amount to an abuse of discretion, this is only so where the reasons for the denial are not apparent from the record. *Rodriguez v. Loudeye Corp.*, 144

Wn. App. 709, 729, 189 P.3d 168 (2008) ("case law permits [the Court] to affirm without an explicit explanation for the denial . . . ."). There is ample information in the record from which this Court may affirm.

B. The Trial Court Properly Held That Res-One's Deficiency Claim Against The Hintons Is Limited By RCW 61.24.100(6).

Lenders who elect to foreclose nonjudicially pursuant to the Deed of Trust Act are generally barred from collecting any deficiency that may remain following foreclosure. RCW 61.24.100. A lender may in certain instances both non-judicially foreclose and seek a deficiency against a commercial guarantor; but the potential recovery is statutorily limited. *Id.* Relevant to this appeal, if the deed of trust nonjudicially foreclosed was granted by the commercial guarantor and secures the guaranty, a deficiency judgment may only be recovered to the extent that the foreclosed property was devalued by the grantor's waste, or the grantor wrongfully retained proceeds (e.g. rent) from the foreclose property. RCW 61.24.100(6). The trial court, based on the plain language in the Deed of Trust, determined that RCW 61.24.100(6) applies.

Res-One challenges the trial court's ruling on three bases. First, it asserts that the ruling was founded upon an invalid foreclosure. That issue was disposed of in Section III.A, *supra*. Second, contrary to the plain language of the Deed of Trust, Res-One claims the Deed of Trust does not

secure the Guaranties. Finally, third, Res-One claims that the boilerplate waivers in the Guaranties shield it from the Act's limitation on remedies.

1. The express and unambiguous terms of the Deed of Trust provide that it secures the Guaranties.

By their own terms, the Promissory Note, Deed of Trust and Guaranties are related and intertwined; the loan documents direct that they must be construed together. Indeed, both Guaranties expressly incorporate the terms of the subsequent Promissory Note and the Deed of Trust into the Guaranties themselves, even though they were later executed. The Guaranties, under the section entitled Miscellaneous Provisions, provides:

> **Amendments**. This Guaranty, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Guaranty… (Emphasis added.)

(CP 40, 44.) Under section entitled Definitions, both Guaranties provide:

> **Related Documents**. The words "Related Documents" means all promissory notes, … deeds of trust, … and all other Instruments, Agreements and documents, whether now *or hereafter existing*, executed in connection with the Indebtedness. (Emphasis added.)

(CP 41, 44.) The plain language reveals that the Guaranties were executed in contemplation of existing and future loans to HDC. Thus, the later executed Deed of Trust was related and its terms are expressly incorporated into and considered terms of the Guaranties.

The Deed of Trust sets forth the obligations it secures and those

secured obligations go beyond the borrower's obligations in Note:

> THIS DEED OF TRUST ... IS GIVEN TO SECURE (A) PAYMENT OF THE INDEBTEDNESS AND (B) PERFORMANCE OF ANY AND ALL OBLIGATIONS UNDER THE NOTE, THE RELATED DOCUMENTS, AND THIS DEED OF TRUST. (Underlining added).

(CP 992.)

The scope of the obligations secured is clarified by the Deed of Trust's stated definitions of "Indebtedness" and "Related Documents." Contrary to Res-One's assertion, the "Indebtedness" is not limited to the Note. "Indebtedness" includes obligations in "Related Documents":

> The words "Indebtedness" means all principal, interest, and other amounts, costs and expenses payable under the Note or Related Documents...

(CP 998.) "Related Documents" are explicitly defined in the Deed of Trust to include all guaranties, including those previously existing:

> The words "Related Documents" mean all promissory notes, ... guaranties, ... and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.... (Emphasis added).

(*Id.*) The Deed of Trust thus expressly secured the Guaranties.

In *First Citizens Bank and Trust Co. v. Cornerstone Homes & Dev. LLC,* 178 Wn. App. 207, 314, P.3d 420 (2013) ("*Cornerstone*"), this Court analyzed identical language. Like here, the *Cornerstone* guaranty was executed in connection with other loans made long before the relevant

notes and deeds of trust – three years before. *Id.* at 210. The Court found the language unambiguous. It held that the guaranty was among the Related Documents the deeds of trust secured. 178 Wn. App. at 212-14.[18]

The *Cornerstone* Court also addressed the relationship between guaranty and later executed notes and deeds of trust. That the guaranties were not executed at the same time as the foreclosed deeds of trust, but years earlier, did not preclude them from being Related Documents. Construing the deeds of trust, the Court held: "A plain reading of this language [regarding 'Indebtedness' and 'Related Documents'] includes the Allisons' [guarantors'] earlier guaranty among the 'now existing' 'Related Documents' that these deeds of trust secured." 178 Wn. App. at 213. Construing the earlier guaranty, the Court concluded: "This plain language expressly incorporates future 'Related Documents,' which unambiguously includes future 'deeds of trust' as well as 'promissory notes' 'executed in connection with the indebtedness,' 'now or hereafter existing,' namely Cornerstone's [borrower's] promissory notes and deeds of trust later executed to obtain this contemplated loan." *Id.* at 214.

Faced with this plain language, Res-One next directs this Court to

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[18] Division I construed the same language to the opposite conclusion in *Washington Fed. v. Gentry,* 179 Wn. App. 470, 490-95, 319 P.3d 823 (2014). The Supreme Court accepted review of the *Gentry* decision on July 9, 2014. First Citizens did not seek review of the *Cornerstone* decision and a mandate was issued in that case on January 28, 2014. The Hintons contend that *Cornerstone* is the better reasoned decision.

the Hintons' unsuccessful defense to Res-One's successful summary judgment. Though previously rejected, Res-One asks the Court to now apply the defense to contradict and avoid the express terms of the Deed of Trust. It argues that the Hintons' testimony that they subjectively did not intend or believe the prior Guaranties to be related to or secure the November 23, 2005 loan[19] should prevail for purposes of contract interpretation, even though it contradicts the words in the Deed of Trust.

But the Hintons' testimony did not prevail. (CP 301-03.) Res-One successfully persuaded the trial court that such parol evidence of the Hintons' subjective beliefs and intentions could not be applied to alter or contradict express contract terms. (CP 290-292, 301-03). That summary judgment ruling (which was not appealed) provided the framework for the case going forward. The Hintons disagreed, but nonetheless accepted the trial court's decision and proceeded accordingly. (*See* RP (5/25/12) at 17-18.) Consistent with the trial court's prior ruling, they asked the Court to construe the loan documents based on their plain language. Having successfully persuaded the trial court to its judicial advantage that the Hintons' parol testimony may not alter express contract terms, Res-One cannot now rely on that same parol testimony to now escape the plain terms of these same contracts and receive a different judicial advantage.

[19] CP 127-36, 149-53, 159-61, 179-80.

State v. Hamilton, 179 Wn. App. 870, 881,887, 320 P.3d 142 (2014).[20] The Deed of Trust unambiguously secures the Guaranties.

2. Res-One cannot contractually expand the Deed of Trust Act remedies through so-called "waivers."

Finally, Res-One claims that it is shielded from the legislatively imposed remedy limitations that accompany a nonjudicial foreclosure election by the so-called "anti-deficiency law waiver" in the Guaranties. What Res-One labels a "waiver" is, in reality, an attempt to contractually expand a legislatively created remedy that is expressly limited. The Deed of Trust Act has explicitly stated the provisions that may be contractully altered; RCW 61.24.100(6) is not among those provisions.

The opening sentence of RCW 61.24.100 presents mandatory language – <u>except as provided in RCW 61.24.100</u>, a deficiency judgment

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[20] The pre-foreclosure notices evidence that, prior to this lawsuit, Res-One interpreted the Deed of Trust to provide that it secures the Guaranties. In its Notice of Default (prepared by the same attorneys defending this appeal (CP 210-222), Res-One advised the Hintons:

> **Pursuant to the terms of the Loan, a default on any other loan with the Lender is also a default on this Loan, and <u>the above Deed of Trust property also secures all obligations of Borrower and/or *Guarantor*</u> owed to Lender. Thus, any breach of any other loan obligation Borrower and/or Guarantor owe to Lender must also be cured in order to avoid foreclosure of the Deed of Trust.** (Bold in original, underlining and italics added.)

(CP 216.) Language identical to the above was included in both the Notice of Trustee's Sale and the Notice of Foreclosure. (CP 227, 235.) The Notice of Foreclosure also stated:

> Copies of your Deed of Trust <u>and documents evidencing the obligations secured thereby</u> are enclosed. (Emphasis added.)

(CP 236.) The Deed of Trust was enclosed as represented. (CP 211, 247-70). Regarding the <u>secured obligations</u>, the Notice enclosed not only the Note (with the Change in Terms Agreements) (CP 211, 238-46) <u>but also the Guaranties</u> (CP 211, 271-80).

"shall not be obtained" against a borrower or guarantor. Nothing in the statute provides that its protections may be waived. To the contrary, at subsection (9), the Legislature authorizes parties to contractually **prohibit** a lender from seeking a deficiency. But there is no corresponding authorization to contractually expand the limited deficiency authorizations or contractually waive guarantor protections. When the Legislature specially authorizes certain specified acts, acts not so specified will be presumed to be deliberately excluded. *Nat'l Elec. Contractor's Ass'n v. Riverland,* 138 Wn.2d 9, 17-18, 978 P.2d 481 (1999); *Landmark Dev., Inc. v. City of Roy,* 138 Wn.2d 561, 571, 980 P.2d 1234 (1999).[21]

Res-One cites to courts that have enforced anti-deficiency waivers outside Washington and Washington waiver cases outside the context of the Deed of Trust Act. But, it omits any discussion of this Court's recent decision in *First Citizens Bank and Trust Co. v. Reikow,* 177 Wn. App. 787, 313 P.3d at 1213 (2013), that specifically addressed application of anti-deficiency law waivers found in Guaranties. Res-One also omits any discussion of the recent decisions through which the Washington Supreme

[21] Contractual limitation of a discrete Act protections is also expressly and narrowly authorized at RCW 61.24.100 subsection (4) (limited authorization to contractually expand the statute of limitations); subsection (7) (limited authorization to contractually preserve a deficiency when deed in lieu of foreclosure is accepted); and subsection (11) (authorization to contractually waive guarantor objection based on impairment of collateral by the trustee's sale). The narrow and limited authorizations in subsections (4), (7), (9) and (11) are the only circumstances in which the Legislature authorizes contractual limitation of Deed of Trust Act protections.

Court twice rejected lender attempts to contractually avoid the mandates of the Deed of Trust Act. *Bain v. Metropolitan Mortgage Group, Inc., supra*; *Schroeder v. Excelsior,* 177 Wn.2d 94, 107, 297 P.3d 677 (2013).

In *Reikow*, like here, the plaintiff sought a post-foreclosure deficiency against guarantors. The foreclosing party invoked the boilerplate "anti-deficiency law waivers" to avoid application of RCW 61.24.100(5), which limits <u>any</u> deficiency judgment to the amount the debt exceeds the fair value of the property foreclosed (as opposed to the amount the debt exceeds the sale bid). 177 Wn. App. at 790-91. This Court recognized that post-foreclosure remedies are exclusively governed by the Deed of Trust Act; and held that a foreclosing party may not obtain a larger deficiency than the statute allows. *Id.* at 794-96.

Because *Reikow* held that the foreclosing party cannot contractually expand a limited, legislatively authorized remedy, it did not base its ruling on the enforceability of the provision as a "waiver." This Court nonetheless stated: "were we to find the issue relevant to this dispute, the broad boilerplate waiver in the guaranties' fine print could hardly defeat the explicit and specific provisions of RCW 61.24.100(5). 177 Wn. App. at 795, n. 4. *Reikow* specifically noted, and is in accord with, the Supreme Court's decisions in *Bain, supra,* and *Schroeder, supra.*

In *Bain,* the Court was asked to determine if a deed of trust

beneficiary may non-judicially foreclose under the Deed of Trust Act when the designated beneficiary is not also the holder of the promissory note that the deed of trust secures. The subject deed of trust contractually authorized the designated beneficiary to non-judicially foreclose pursuant to the Act. The Act, however, defines a beneficiary as one who is not only designated in the deed of trust, but also is the holder of the secured note. The Act only conferred the power of non-judicial foreclosure to a beneficiary as defined in the Act.

Bain held that the Act's foreclosure remedy could not be contractually altered and, since the beneficiary did not meet the statutory requirements, it was not conferred the statutory power of sale.

> The legislature has set forth in great detail how nonjudicial foreclosures may proceed. We find no indication the legislature intended to allow the parties to vary these procedures by contract. We will not allow waiver of statutory protections lightly.

175 Wn.2d at 107-08.

The Supreme Court again confirmed its position in *Schroeder, supra*. The *Schroeder* Court also addressed a deed of trust in the context of the Deed of Trust Act. There, the parties attempted to contract around the statutory prohibition against non-judicial foreclosure against agricultural lands. 177 Wn.2d at 98, 106-107. Based on the contractual authorization in the deed of trust, the bank argued that, despite the statutory limitation,

the borrower waived the protections of the Deed of Trust Act. Citing *Bain*, the Court held that the lender could not contract away the Act's prohibition against nonjudicial foreclosure of agricultural land; even though the borrower contracted that he "knowingly waives his right, pursuant to RCW 61.24.030(2) to judicial foreclosure on the subject property on the grounds it is used for agricultural purposes." *Id.* at 100.

The "waivers" in the Guaranties may not be applied to enlarge the limited post-foreclosure remedies authorized by the Deed of Trust Act.

C. The Trial Court Did Not Abuse Its Discretion In Rejecting Res-One's Proposed Fee Reductions.

This Court reviews a trial court's attorney fees award for manifest abuse of discretion. *Chuong Van Phan v. City of Seattle*, 159 Wn.2d 527, 538, 151 P.3d 976 (2007). Discretion is abused only if exercised on untenable grounds or for untenable reasons. *Id.* "The determination of the fee award should not become an unduly burdensome proceeding for the court or the parties." *Absher Const. Co. v. Kent Sch. Dist. No. 415*, 79 Wn. App. 841, 848, 917 P.2d 1086 (1995). "An explicit hour-by-hour analysis of each lawyer's time sheets is unnecessary as long as the award is made with a consideration of the relevant factors and reasons sufficient for review are given for the amount awarded." *Id.* Likewise, a trial court need not "deduct hours here and there just to prove to the appellate court that it

has taken an active role in assessing the reasonableness of a fee request." *Miller v. Kenny*, ___ Wn. App. ___, 325 P.3d 278, 303 (Apr. 28, 2014).

Res-One presents four categories of complaints to the fee award. It complains that the court awarded fees (1) for unsuccessful claims, (2) for unnecessary and unreasonable work, (3) based on vague time records, and (4) included in block billing. Notably, many of the entries included in Res-One's various categories overlap. It is thus difficult to determine the total reduction it actually seeks (over and above the trial court's $21,500 reduction). Analysis of Res-One's multiple complaints about the fees charged by the Hintons' first attorney, Charles Buckley, is illustrative of this overlap and, frankly, the misleading nature of Res-One's objections.

Res-One complains that that there should be no award for $14,820 in fees charged by Buckley, but unpaid by the Hintons.[22] Res-One also complains that fees were awarded for unsuccessful defenses; the record reveals that $7,040 of this category was charged by Buckley. (CP 883-86.) Res-One asserts that the awarded fees include unnecessary work; $4,961 was charged by Buckley. (CP 892-94.) Finally, Res-One complains that $3,993 of the awarded fees was based on "vague" entries; all but one of

[22] Because the fees were not fully paid at the time the Buckley invoice summary was generated, Res-One simply assumes that the Hintons never paid the fees or will not pay the fees once Res-One finally pays the judgment. Res-One cites no authority to support its claim that the trial court could not award fees that have not yet been paid by the client.

those entries (.2 hours for $18) was by Buckley. (CP 901-02.) These so-called objectionable fees total to $30,814. But Buckley's total fee was only $19,383. (CP 789-92.) Res-One's proffered objections thus combine to exceed the total fee Buckley actually charged by $11,431. The overlap between categories is pervasive and serves to distort and overstate Res-One's objections. Regardless, Res-One's objections are without merit.

"It is the trial judge who watches a case unfold." *Morgan v. Kingen*, 141 Wn. App. 143, 163, 169 P.3d 487 (2007). Thus, "[t]he trial judge is in the best position to determine the proper lodestar amount." *Miller*, 325 P.3d at 304. Res-One's allegation that the fee award improperly included fees attributed to unsuccessful or "unnecessary" work must therefore be evaluated with deference to the trial court's viewpoint.

Initially, it must be noted that the trial court did reduce the Hintons' fee award by $21,500 for work it deemed unnecessary and to allow some discount for "unsuccessful" work. (CP 913-14.) The trial court described the case as "complex real estate litigation with some unique challenges and issues." (CP 912.) In that context, it rejected Res-One's argument that all fees related to unsuccessful defenses must be excluded:

> I find that the Plaintiff's argument is too narrowly focused. They overly contend that if the Defendants lost any motion or part of, they are not entitled to fees on those points. This court does not read the supporting cases this narrow and is looking to the

> central-main issues and not all the smaller little battles that go on in complex civil litigation where there are always some successes and some unsuccessful points.

(CP 913.) The trial court's decision in this regard was well within its discretion. *See Miller,* 325 P.3d at 304 (expressly rejecting argument that the law requires a fee reduction for all unsuccessful litigation activity, noting that "appellate courts will ordinarily defer to the trial court's discretion, especially in complex cases."); *Grant v. Martinez*, 973 F.2d 96, 99 (2d Cir. 1992) ("The relevant issue ... is not whether hindsight vindicates an attorney's time expenditures, but whether, at the time the work was performed, a reasonable attorney would have engaged in similar time expenditures."). *See also Chuong Van Pham*, 159 Wn.2d at 540.

Res-One's complaints regarding "vague" entries and "block-billing" also lack merit. Res-One fails to provide the Court with any record citations for these complaints. A search of the Clerk's Papers reveals a "block-billing" chart that Res-One presented below. (CP 903.) But that chart fails to present inappropriate bundling of time. Rather it merely lists 27 time entries (omitting the descriptions), of which twelve were less than 2 hours. (*Id.*) We are aware no law prohibiting an attorney from working on a task for an extended period of time. So-called "vague" entries are in a chart at CP 901-02 exclusively listing Buckley entries.

Billing records are sufficient if they "inform the court, in addition

to the number of hours worked, of the type of work performed and the category of attorney who performed the work." *Bowers v. Transamerica Title Ins. Co.*, 100 Wn.2d 581, 597, 675 P.2d 193 (1983). They "need not be exhaustive or in minute detail[.]" *Id.* The Hintons presented 28 pages of detailed time records. (*See* CP 794-822.) The trial court appropriately deemed them sufficient for an informed fee award.

IV. REQUEST FOR ATTORNEYS' FEES

Pursuant to RAP 18.1(b), the Hintons request to be awarded the attorneys' fees incurred defending this appeal. The Commercial Guaranties upon which Res-One sued provides for payment of attorneys' fees. (CP 41, 44.) Pursuant to the contract and RCW 4.84.330, the Hintons are entitled to recover their attorneys' fees if they prevail on this appeal.

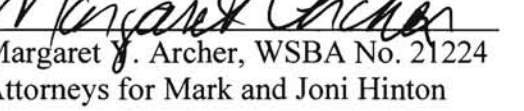
V. CONCLUSION

This Court should affirm the trial court's decisions to apply RCW 61.24.100(6) to limit Res-One's post-foreclosure remedy, reject Res-One's motion to amend, and award reasonable attorney fees.

Dated this 18 day of July, 2014.

Respectfully submitted,

GORDON THOMAS HONEYWELL LLP

By 

Margaret Y. Archer, WSBA No. 21224
Attorneys for Mark and Joni Hinton

APPENDIX A

CORRECTED AND RE-RECORDED DEED
(CP-1067-70)

and

2009 EXCUSE TAX AFFIDAVIT
(CP-1284-86)

4577559 D
RecFee - $45.00 Pages: 4 - FIDELITY NATIONAL TITLE
Clark County, WA 06/26/2009 03:35

RETURN ADDRESS
Mark & Joni Hinton
14010A NE 3rd Court #106
Vancouver, WA 98685-3082

639391

Real Estate Excise Tax
Ch. 11 Rev. Laws 1951
EXEMPT
Affd. #_____ Date 6.26.09
For details of tax paid see
Affd. #_____
Doug Lasher
Clark County Treasurer
By_____ Deputy

Document Title(s): Order Number: V 40773
STATUTORY WARRANTY DEED - RE-RECORD TO CORRECT VESTING

Reference Number(s) of related documents:
4087837

Grantor(s): (Last name, First name and Middle Initial)
E.G. KASSAB COMPANIES

Grantee(s): (Last name, First name and Middle Initial)
HINTON; MARK
HINTON; JONI J.

Trustee:
N/A

Legal Description: (abbreviated form: i.e. lot, block, plat or section township, range, quarter/quarter)
SEC 3 T3N R2E

Assessor's Property Tax Parcel/Account Number:
091103-172; 091103-173

EXHIBIT 11
PAGE 1054
RCM0-000001067

3

4087837 3
Page: 1 of 3
11/22/2005 11:58A
FIDELITY NATIONAL TITLE D 34.00 Clark County, WA

When Recorded Return to:
14010A NE 3rd Court #106
Vancouver, WA 98685-3082

Real Estate Excise Tax
Ch. 11 Rev. Laws 1951
$ 24,019.52 has been paid
Recp.# 580574 Date 11/22/05
Sec. 61, see Affd. No.
Doug Lasher
Clark County Treasurer
By _____ Deputy

Fidelity National Title Company of Washington, Inc.

STATUTORY WARRANTY DEED

ORDER NO: V40733 MM

THE GRANTOR E.G KASSAB COMPANIES, a sole proprietorship

for and in consideration of TEN DOLLARS AND OTHER VALUABLE CONSIDERATION

in hand paid, conveys and warrants to Mark Hinton and Joni J. Hinton, husband and wife

~~HINTON DEVELOPMENT CORPORATION, a Washington Corporation~~

the following described real estate, situated in the County of Clark, State of Washington:

SEE EXHIBIT 'A' ATTACHED HERETO AND MADE A PART HEREOF

Abbreviated Legal Description: Section 3 Township 3 Range 2 EAST
Assessor's Tax Parcel No.(s): 091103-172; 091103-173

Dated: November 15, 2005

E.G Kassab Companies

By Elie G. Kassab
Authorized Signator

MELISSA A. MILLER
NOTARY PUBLIC
STATE OF WASHINGTON
COMMISSION EXPIRES
JANUARY 29, 2007

STATE OF WASHINGTON
COUNTY OF CLARK

I certify that I know or have satisfactory evidence that Elie G. Kassab the person(s) who appeared before me, and said person(s) acknowledged that he signed this instrument, on oath stated that he is authorized to execute the instrument and acknowledged it as the Authorized Signator of E.G Kassab Companies to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

Dated: November 15, 2005

Melissa A. Miller Notary Public in and for the State of Washington
Residing at Battle Ground
My appointment expires: January 29, 2007

MELISSA A. MILLER
NOTARY PUBLIC
STATE OF WASHINGTON
COMMISSION EXPIRES
JANUARY 29, 2007

LPB No. 10

EXHIBIT 11
PAGE 2 of 4
RCM003030

Fidelity National Title Company of Washington, Inc.

EXHIBIT 'A'

DESCRIPTION: ORDER NO: V40733 MM

A portion of the Northwest quarter of the Southeast quarter of Section 3, Township 3 North, Range 2 East, Willamette Meridian, City of Battle Ground, Clark County, Washington, described as follows:

BEGINNING at a concrete monument with brass cap marking the Quarter corner between Sections 2 and 3; thence North 89°27'07" West, along the North line of the Southeast quarter of Section 3, for a distance of 1510.18 feet to a ½ inch iron rod as shown in Book 41 of Surveys at page 160, Clark County Auditor's Records, said point being the Northwest corner of the CITY OF BATTLE GROUND TRACT as described under Clark County Auditor's File No. 8811210044; thence South 00°48'26" West, along the West line of the CITY OF BATTLE GROUND TRACT, 829.40 feet to a ½ inch iron rod (Survey 41-160); thence continuing along the West line of the CITY OF BATTLE GROUND TRACT, South 00°44'55" West, 60.55 feet to a 1/2 inch iron rod (Survey 41-160) marking the Northeast corner of the BATTLE GROUND ASSOCIATES TRACT as described under Clark County Auditor's File No. 9106170021; thence North 89°22'24" West along the North line of the BATTLE GROUND ASSOCIATES TRACT, 350.00 feet to the TRUE POINT OF BEGINNING; thence continuing North 89°22'24" West 258.24 feet to a 1/2 inch iron rod (Survey 41-160) marking the Northwest corner of the BATTLE GROUND ASSOCIATES TRACT; thence South 00°34'33" West, 430.16 feet to a 1/2 inch iron rod (Survey 41-160) marking the Southwest corner of the BATTLE GROUND ASSOCIATES TRACT, said point also being at the Northwest corner of the BATTLE GROUND SCHOOL DISTRICT #119 TRACT as described under Clark County Auditor's File No. 8001080068; thence North 89°22'33" West, along the North line of the GARDNER TRACT as described under Clark County Auditor's File No. 9502140193, for a distance of 372.78 feet to a 1/2 inch iron rod (Survey 41-160) on the East right-of-way line of State Route 503 as shown on the Washington State Department of Transportation right-of-way and alignment plan dated June 4, 1994; thence North 00°54'57" East, along said East right-of-way line, 739.38 feet to the Southwest corner of the CITY OF BATTLE GROUND TRACT as described under Clark County Auditor's File No. 3126557; thence South 89°27'07" East, along the South line of the CITY OF BATTLE GROUND TRACT, 627.82 feet; thence South 00°47'46" West, 310.06 feet to the TRUE POINT OF BEGINNING.

AND a portion of the Northwest quarter of the Southeast quarter of Section 3, Township 3 North, Range 2 East, Willamette Meridian, City of Battle Ground, Clark County, Washington, described as follows:

BEGINNING at a concrete monument with brass cap marking the Quarter corner between Sections 2 and 3; thence North 89°27'07" West, along the North line of the Southeast quarter of Section 3, for a distance of 1510.18 feet to a 1/2 inch iron rod as shown in Book 41 of Surveys at page 160, Clark County Auditor's Records, said point being the Northwest corner of the CITY OF BATTLE GROUND TRACT as described under Clark County Auditor's File No. 8811210044; thence South 00°48'26" West, along the West line of the CITY OF BATTLE GROUND TRACT, 579.40 feet to the TRUE POINT OF BEGINNING; thence continuing South 00°48'26" West, 250.00 feet to a 1/2 inch iron rod (Survey 41-160); thence continuing along the West line of the CITY OF BATTLE GROUND TRACT South 00°44'55" West, 60.55 feet to a 1/2 inch iron rod (Survey 41-160) marking the Northeast corner of the BATTLE GROUND ASSOCIATES TRACT as described under Clark County Auditor's File No. 9106170021; thence North 89°22'24" West, 350.00 feet; thence North 00°47'46" East, 310.06 feet to the South line of the CITY OF BATTLE GROUND TRACT as described under Clark County Auditor's File No. 3126557; thence South 89°27'07" East, parallel with the North line of the Southeast quarter of Section 3, for a distance of 350.00 feet to the TRUE POINT OF BEGINNING.

EXCEPT that portion conveyed to the State of Washington under Auditor's File No. 4028442.

EXHIBIT 11
PAGE 3 of 4

Exhibit AContinued...

SUBJECT TO:

1. Easement, including the terms, covenants and provisions thereof, as granted by instrument;
   Recorded: DECEMBER 16, 1966
   Auditor's File No.: G 472205
   Records of: Clark County, Washington
   To: PUBLIC UTILITY DISTRICT NO. 1 OF CLARK COUNTY
   Purpose: erecting or installing, maintaining and operating thereon or thereover pole lines and conductors for transmission of electric energy, including communication facilities; together with the right to cut, remove and destroy such trees and brush as may be necessary in constructing, maintaining and protecting such lines from damage
   Affects: portion and other property

2. Easement, including its terms, covenants and provisions as disclosed by instrument;
   Dated: AUGUST 16, 1983
   Recorded: SEPTEMBER 1, 1983
   Auditor's File No.: 8309010109
   In favor of: MILL CREEK COMMUNITY DEVELOPMENT
   For: sewer line easement
   Affects: portion of said premises

3. Rights of the public and governmental agencies in and to any portion of said land included within the boundaries of SW 10TH AVENUE.

4. Rights of the public and governmental agencies in and to any portion of said land included within the boundaries SCOTTON WAY.

5. Relinquishment of all existing, future or potential easements for access, light, view and air, and all rights of ingress, egress and regress to, from and between said premises and the highway or highways to be constructed on lands conveyed by Deed;
   Dated: JUNE 16, 2005
   Recorded: AUGUST 3, 2005
   Auditor's File No.: 4028442
   Records of: Clark County, Washington
   To: STATE OF WASHINGTON

I, GREG A. KIMSEY, Auditor of Clark County, State of Washington, do hereby certify that the foregoing is a true and correct copy of a: Statutory Warranty Deed
Microfilm No. _____ File No. 4087837
of record in this office. WITNESS my hand and official seal
This 26 day of May 2009 A.D.
GREG A. KIMSEY, Auditor, Clark County
By _____ Deputy

AUDITOR'S OFFICIAL SEAL CLARK COUNTY WASHINGTON

EXHIBIT 11
PAGE 4 OF 4

LPB No. 10

RCM003032

PLEASE

REAL ESTATE EXCISE TAX AFFIDAVIT

CHAPTER 82.45 RCW – CHAPTER 458-61 WAC
FOR USE AT COUNTY TREASURER'S OFFICE

This form is your receipt when stamped by cashier.

(Use form No. 84-0001II for Reporting Transfers of Controlling Interest of Entity Ownership to the Department of Revenue)

THIS AFFIDAVIT WILL NOT BE ACCEPTED UNLESS ALL AREAS 1-7 ARE FULLY COMPLETED

Check box if partial sale of property

If multiple owners, list percentage of ownership next to name

1 SELLER GRANTOR
Name E.G. KASSAB COMPANIES, A SOLE PROPRIETORSHIP
Street 801 C Street, Suite 200
City/Street/Zip Vancouver WA 98660
Phone No. (360) 993-0010

2 BUYER GRANTEE
Name Mark Hinton and Joni J. Hinton, husband and wife
Street 14010A NE 3rd Court #106
City/State/Zip Vancouver, WA 98685-3082
Phone No.

3 ADDRESS TO SEND ALL PROPERTY TAX RELATED CORRESPONDENCE
Same as Buyer/Grantee
Name Mark Hinton
Street 14010A NE 3rd Coun #106
City/State/Zip Vancouver, WA 98685-3082
Phone No.

List all real and personal property tax parcel account numbers – check box if personal property
091103-172; 091103-173

List Assessed Value(s)
1406300
1511600

4 LEGAL DESCRIPTION OF PROPERTY SITUATED IN Clark COUNTY IN CITY OF Battle Ground
Street Address: Disbursement File for #2 of Addendum #2 Battle Ground WA 98604
Check box if any of the listed parcels are being segregated from a larger parcel

See attached.

5 Enter Abstract Use Categories: 11
(Please see list on last page for instructions)
If exempt from property tax 84.36 RCW (nonprofit organization), include:
Seller's Exempt Reg. No

6

	YES	NO
Is the property designated as forest land per Chapter 84.33 RCW?		X
Is the property classified as current use (open space, farm and agricultural, or timber)land per Chapter 84.34 RCW		X
Receiving special valuation a historic property? Chapter 84.26 RCW		X

If any answers are yes, complete as instructed below

(1) NOTICE OF CONTINUANCE (FOREST LAND OR CURENT USE)

NEW OWNER(s): To continue the current designation of forest land or classification as current use (open space, farm and agriculture, or timber) land, you must sign on (3) below. The county assessor must then determine if the land transferred continues to qualify and will indicate by signing below. If the land no longer qualifies or you do not wish to continue the designation or classification, it will be removed and the compensating or additional taxes will be due and payable by the seller or transferor at the time of sale. (RCW 84.33.140 or RCW 84.34.108). Prior to signing (3) below, you may contact your local county assessor for more information.

This land ☐ does ☐ does not qualify for continuance.

DEPUTY ASSESSOR DATE

(2) NOTICE OF COMPLIANCE (HISTORIC PROPERTY)

NEW OWNER(S): To continue special valuation as historic property, sign (3) below. If the new owner(s) do not wish to continue, all additional tax calculated pursuant to chapter 84.26 RCW, shall be due and payable by the seller or transferor at the time of sale.

(3) OWNER(S) SIGNATURE

7 List all personal property (tangible and intangible) included in the selling price:

*PRIOR RECEIPT 580574 11/23/05

If claiming exemption, list WAC number explanation.
WAC No. (Sec/Sub) 458-61A-217
Explanation RE-RECORDING TO CORRECT VESTING*
Type of Document SWD AF# 4087837
Date of Document 11/15/05

Gross Selling Price	$0.00
Personal Property (deduct)	
Taxable Selling Price	$0.00
Excise Tax: State	
Local	
Delinquent Interest: State	
Local	
Delinquent Penalty	
State Technology Fee	5.00
Affidavit Processing Fee	5.00
Total Due	$10.00

A MINIMUM OF $10.00 IS DUE AS A PROCESSING FEE AND TAX

8 I Certify Under Penalty of Perjury That The Foregoing Is True And Correct

Signature of Grantor/Agent Melissa A. Miller
Name (Print) Melissa A. Miller, agent
Date and Place of Signing: Vancouver, WA

Signature of Grantee/Agent Melissa A. Miller
Name (Print) Melissa A. Miller, agent
Date and Place of Signing: Vancouver, WA

Perjury: Perjury is a class C felony which is punishable by imprisonment in the state correctional institution for a maximum term of not more than five years, or by a fine in an amount fixed by the court of not more than five thousand dollars ($5,000.00), or by both imprisonment and fine (RCW 9A.20.020 (1C))

REV 84 0001a (10-12-05)
Fidelity National Title Insurance Company
Order No: V40733MM

6.29.09
FNT

#639391

$10.00

EXT 0-000001284
PAGE 10 of 17

EXHIBIT "A"

A portion of the Northwest quarter of the Southeast quarter of Section 3, Township 3 North, Range 2 East, Willamette Meridian, City of Battle Ground, Clark County, Washington, described as follows:

BEGINNING at a concrete monument with brass cap marking the Quarter corner between Sections 2 and 3; thence North 89°27'07" West, along the North line of the Southeast quarter of Section 3, for a distance of 1510.18 feet to a ½ inch iron rod as shown in Book 41 of Surveys at page 160, Clark County Auditor's Records, said point being the Northwest corner of the CITY OF BATTLE GROUND TRACT as described under Clark County Auditor's File No. 8811210044; thence South 00°48'26" West, along the West line of the CITY OF BATTLE GROUND TRACT, 829.40 feet to a ½ inch iron rod (Survey 41-160); thence continuing along the West line of the CITY OF BATTLE GROUND TRACT, South 00°44'55" West, 60.55 feet to a 1/2 inch iron rod (Survey 41-160) marking the Northeast corner of the BATTLE GROUND ASSOCIATES TRACT as described under Clark County Auditor's File No. 9106170021; thence North 89°22'24" West along the North line of the BATTLE GROUND ASSOCIATES TRACT, 350.00 feet to the TRUE POINT OF BEGINNING; thence continuing North 89°22'24" West 258.24 feet to a 1/2 inch iron rod (Survey 41-160) marking the Northwest corner of the BATTLE GROUND ASSOCIATES TRACT; thence South 00°34'33" West, 430.16 feet to a 1/2 inch iron rod (Survey 41-160) marking the Southwest corner of the BATTLE GROUND ASSOCIATES TRACT, said point also being at the Northwest corner of the BATTLE GROUND SCHOOL DISTRICT #119 TRACT as described under Clark County Auditor's File No. 8001080068; thence North 89°22'33" West, along the North line of the GARDNER TRACT as described under Clark County Auditor's File No. 9502140193, for a distance of 372.78 feet to a 1/2 inch iron rod (Survey 41-160) on the East right-of-way line of State Route 503 as shown on the Washington State Department of Transportation right-of-way and alignment plan dated June 4, 1994; thence North 00°54'57" East, along said East right-of-way line, 739.38 feet to the Southwest corner of the CITY OF BATTLE GROUND TRACT as described under Clark County Auditor's File No. 3126557; thence South 89°27'07" East, along the South line of the CITY OF BATTLE GROUND TRACT, 627.82 feet; thence South 00°47'46" West, 310.06 feet to the TRUE POINT OF BEGINNING.

AND a portion of the Northwest quarter of the Southeast quarter of Section 3, Township 3 North, Range 2 East, Willamette Meridian, City of Battle Ground, Clark County, Washington, described as follows:

BEGINNING at a concrete monument with brass cap marking the Quarter corner between Sections 2 and 3; thence North 89°27'07" West, along the North line of the Southeast quarter of Section 3, for a distance of 1510.18 feet to a 1/2 inch iron rod as shown in Book 41 of Surveys at page 160, Clark County Auditor's Records, said point being the Northwest corner of the CITY OF BATTLE GROUND TRACT as described under Clark County Auditor's File No. 8811210044; thence South 00°48'26" West, along the West line of the CITY OF BATTLE GROUND TRACT, 579.40 feet to the TRUE POINT OF BEGINNING; thence continuing South 00°48'26" West, 250.00 feet to a 1/2 inch iron rod (Survey 41-160); thence continuing along the West line of the CITY OF BATTLE GROUND TRACT South 00°44'55" West, 60.55 feet to a 1/2 inch iron rod (Survey 41-160) marking the Northeast corner of the BATTLE GROUND ASSOCIATES TRACT as described under Clark County Auditor's File No. 9106170021; thence North 89°22'24" West, 350.00 feet; thence North 00°47'46" East, 310.06 feet to the South line of the CITY OF BATTLE GROUND TRACT as described under Clark County Auditor's File No. 3126557; thence South 89°27'07" East, parallel with the North line of the Southeast quarter of Section 3, for a distance of 350.00 feet to the TRUE POINT OF BEGINNING.

APPENDIX B

DEED OF TRUST
(CP-991-1001)

311542

11/22/05

4087838
Page: 1 of 11
11/23/2005 11:58A
FIDELITY NATIONAL TITLE DT 43.00 Clark County, WA

RETURN ADDRESS:
Bank of Clark County
1400 Washington St. Suite
200
PO Box 61725
Vancouver, WA
98666-1725

V40733mm

DEED OF TRUST

DATE: November 22, 2005

Reference # (if applicable): 311542 Additional on page ____

Grantor(s):
1. Hinton, Mark
2. Hinton, Joni J.

Grantee(s)
1. Bank of Clark County
2. Trustee Services Inc., Trustee

Legal Description: Section: 3 Township: 3 Range: 2 EAST

Additional on page 2

Assessor's Tax Parcel ID#: 091103-172 and 091103-173

THIS DEED OF TRUST is dated November 22, 2005, among Mark Hinton and Joni J. Hinton; husband and wife ("Grantor"); Bank of Clark County, whose mailing address is 1400 Washington St. Suite 200, PO Box 61725, Vancouver, WA 98666-1725 (referred to below sometimes as "Lender" and sometimes as "Beneficiary"); and Trustee Services Inc., whose mailing address is P.O. Box 2980, Silverdale, WA 98383-2980 (referred to below as "Trustee").

EXHIBIT 7
RCM000874 0-000000991
PAGE 1 OF 11

CONVEYANCE AND GRANT. For valuable consideration, Grantor conveys to Trustee in trust with power of sale, right of entry and possession and for the benefit of Lender as Beneficiary, all of Grantor's right, title, and interest in and to the following described real property, together with all existing or subsequently erected or affixed buildings, improvements and fixtures; all easements, rights of way, and appurtenances; all water, water rights and ditch rights (including stock in utilities with ditch or irrigation rights); and all other rights, royalties, and profits relating to the real property, including without limitation all minerals, oil, gas, geothermal and similar matters, (the "Real Property") located in Clark County, State of Washington:

See Exhibit 'A', which is attached to this Deed of Trust and made a part of this Deed of Trust as if fully set forth herein.

The Real Property or its address is commonly known as NYA, Battle Ground, WA 98604. The Real Property tax identification number is 091103-172 and 091103-173.

CROSS-COLLATERALIZATION. In addition to the Note, this Deed of Trust secures all obligations, debts and liabilities, plus interest thereon, of Borrower to Lender, or any one or more of them, as well as all claims by Lender against Borrower or any one or more of them, whether now existing or hereafter arising, whether related or unrelated to the purpose of the Note, whether voluntary or otherwise, whether due or not due, direct or indirect, determined or undetermined, absolute or contingent, liquidated or unliquidated whether Borrower or Grantor may be liable individually or jointly with others, whether obligated as guarantor, surety, accommodation party or otherwise, and whether recovery upon such amounts may be or hereafter may become barred by any statute of limitations, and whether the obligation to repay such amounts may be or hereafter may become otherwise unenforceable.

Grantor hereby assigns as security to Lender, all of Grantor's right, title, and interest in and to all leases, Rents, and profits of the Property. This assignment is recorded in accordance with RCW 65.08.070; the lien created by this assignment is intended to be specific, perfected and choate upon the recording of this Deed of Trust. Lender grants to Grantor a license to collect the Rents and profits, which license may be revoked at Lender's option and shall be automatically revoked upon acceleration of all or part of the indebtedness.

THIS DEED OF TRUST, INCLUDING THE ASSIGNMENT OF RENTS AND THE SECURITY INTEREST IN THE RENTS AND PERSONAL PROPERTY, IS GIVEN TO SECURE (A) PAYMENT OF THE INDEBTEDNESS AND (B) PERFORMANCE OF ANY AND ALL OBLIGATIONS UNDER THE NOTE, THE RELATED DOCUMENTS, AND THIS DEED OF TRUST. THIS DEED OF TRUST IS GIVEN AND ACCEPTED ON THE FOLLOWING TERMS:

GRANTOR'S REPRESENTATIONS AND WARRANTIES. Grantor warrants that: (a) this Deed of Trust is executed at Borrower's request and not at the request of Lender; (b) Grantor has the full power, right, and authority to enter into this Deed of Trust and to hypothecate the Property; (c) the provisions of this Deed of Trust do not conflict with, or result in a default under any agreement or other instrument binding upon Grantor and do not result in a violation of any law, regulation, court decree or order applicable to Grantor; (d) Grantor has established adequate means of obtaining from Borrower on a continuing basis information about Borrower's financial condition; and (e) Lender has made no representation to Grantor about Borrower (including without limitation the creditworthiness of Borrower).

GRANTOR'S WAIVERS. Grantor waives all rights or defenses arising by reason of any "one action" or "anti-deficiency" law, or any other law which may prevent Lender from bringing any action against Grantor, including a claim for deficiency to the extent Lender is otherwise entitled to a claim for deficiency, before or after Lender's commencement or completion of any foreclosure action, either judicially or by exercise of a power of sale.

PAYMENT AND PERFORMANCE. Except as otherwise provided in this Deed of Trust, Borrower shall pay to Lender all indebtedness secured by this Deed of Trust as it becomes due, and Borrower and Grantor shall strictly perform all their respective obligations under the Note, this Deed of Trust, and the Related Documents.

POSSESSION AND MAINTENANCE OF THE PROPERTY. Borrower and Grantor agree that Borrower's and Grantor's possession and use of the Property shall be governed by the following provisions:

Possession and Use. Until the occurrence of an Event of Default, Grantor may (1) remain in possession and control of the Property; (2) use, operate or manage the Property; and (3) collect the Rents from the Property (this privilege is a license from Lender to Grantor automatically revoked upon default). The following provisions relate to the use of the Property or to other limitations on the Property. The Real Property is not used principally for agricultural purposes.

Duty to Maintain. Grantor shall maintain the Property in tenantable condition and promptly perform all repairs, replacements, and maintenance necessary to preserve its value.

Nuisance, Waste. Grantor shall not cause, conduct or permit any nuisance nor commit, permit, or suffer any stripping of or waste on or to the Property or any portion of the Property. Without limiting the generality of the foregoing, Grantor will not remove, or grant to any other party the right to remove, any timber, minerals (including oil and gas), coal, clay, scoria, soil, gravel or rock products without Lender's prior written consent.

Removal of Improvements. Grantor shall not demolish or remove any improvements from the Real Property without Lender's prior written consent. As a condition to the removal of any improvements, Lender may require Grantor to make arrangements satisfactory to Lender to replace such improvements with improvements of at least equal value.

Lender's Right to Enter. Lender and Lender's agents and representatives may enter upon the Real Property at all reasonable times to attend to Lender's interests and to inspect the Real Property for purposes of Grantor's compliance with the terms and conditions of this Deed of Trust.

Compliance with Governmental Requirements. Grantor shall promptly comply, and shall promptly cause compliance by all agents, tenants or other persons or entities of every nature whatsoever who rent, lease or otherwise use or occupy the Property in any manner, with all laws, ordinances, and regulations, now or hereafter in effect, of all governmental authorities applicable to the use or occupancy of the Property, including without limitation, the Americans With Disabilities Act. Grantor may contest in good faith any such law, ordinance, or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Grantor has notified Lender in writing prior to doing so and so long as, in Lender's sole opinion, Lender's interests in the Property are not jeopardized. Lender may require Grantor to post adequate security or a surety bond, reasonably satisfactory to Lender, to protect Lender's interest.

Duty to Protect. Grantor agrees neither to abandon or leave unattended the Property. Grantor shall do all other acts, in addition to those acts set forth above in this section, which from the character and use of the Property are reasonably necessary to protect and preserve the Property.

DUE ON SALE - CONSENT BY LENDER. Lender may, at Lender's option, (A) declare immediately due and payable all

EXHIBIT 2

sums secured by this Deed of Trust or (B) increase the interest rate provided for in the Note or other document evidencing the indebtedness and impose such other conditions as Lender deems appropriate, upon the sale or transfer, without Lender's prior written consent, of all or any part of the Real Property, or any interest in the Real Property. A "sale or transfer" means the conveyance of Real Property or any right, title or interest in the Real Property; whether legal, beneficial or equitable; whether voluntary or involuntary; whether by outright sale, deed, installment sale contract, land contract, contract for deed, leasehold interest with a term greater than three (3) years, lease-option contract, or by sale, assignment, or transfer of any beneficial interest in or to any land trust holding title to the Real Property, or by any other method of conveyance of an interest in the Real Property. However, this option shall not be exercised by Lender if such exercise is prohibited by federal law or by Washington law.

TAXES AND LIENS. The following provisions relating to the taxes and liens on the Property are part of this Deed of Trust:

Payment. Grantor shall pay when due (and in all events prior to delinquency) all taxes, special taxes, assessments, charges (including water and sewer), fines and impositions levied against or on account of the Property, and shall pay when due all claims for work done on or for services rendered or material furnished to the Property. Grantor shall maintain the Property free of all liens having priority over or equal to the interest of Lender under this Deed of Trust, except for the lien of taxes and assessments not due and except as otherwise provided in this Deed of Trust.

Right to Contest. Grantor may withhold payment of any tax, assessment, or claim in connection with a good faith dispute over the obligation to pay, so long as Lender's interest in the Property is not jeopardized. If a lien arises or is filed as a result of nonpayment, Grantor shall within fifteen (15) days after the lien arises or, if a lien is filed, within fifteen (15) days after Grantor has notice of the filing, secure the discharge of the lien, or if requested by Lender, deposit with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender in an amount sufficient to discharge the lien plus any costs and attorneys' fees, or other charges that could accrue as a result of a foreclosure or sale under the lien. In any contest, Grantor shall defend itself and Lender and shall satisfy any adverse judgment before enforcement against the Property. Grantor shall name Lender as an additional obligee under any surety bond furnished in the contest proceedings.

Evidence of Payment. Grantor shall upon demand furnish to Lender satisfactory evidence of payment of the taxes or assessments and shall authorize the appropriate governmental official to deliver to Lender at any time a written statement of the taxes and assessments against the Property.

Notice of Construction. Grantor shall notify Lender at least fifteen (15) days before any work is commenced, any services are furnished, or any materials are supplied to the Property, if any mechanic's lien, materialmen's lien, or other lien could be asserted on account of the work, services, or materials and the cost exceeds $500.00. Grantor will upon request of Lender furnish to Lender advance assurances satisfactory to Lender that Grantor can and will pay the cost of such improvements.

PROPERTY DAMAGE INSURANCE. The following provisions relating to insuring the Property are a part of this Deed of Trust.

Maintenance of Insurance. Grantor shall procure and maintain policies of fire insurance with standard extended coverage endorsements on a fair value basis for the full insurable value covering all improvements on the Real Property in an amount sufficient to avoid application of any coinsurance clause, and with a standard mortgagee clause in favor of Lender. Grantor shall also procure and maintain comprehensive general liability insurance in such coverage amounts as Lender may request with Trustee and Lender being named as additional insureds in such liability insurance policies. Additionally, Grantor shall maintain such other insurance, including but not limited to hazard, business interruption, and boiler insurance, as Lender may reasonably require. Policies shall be written in form, amounts, coverages and basis reasonably acceptable to Lender and issued by a company or companies reasonably acceptable to Lender. Grantor, upon request of Lender, will deliver to Lender from time to time the policies or certificates of insurance in form satisfactory to Lender, including stipulations that coverages will not be cancelled or diminished without at least ten (10) days prior written notice to Lender. Each insurance policy also shall include an endorsement providing that coverage in favor of Lender will not be impaired in any way by any act, omission or default of Grantor or any other person. Should the Real Property be located in an area designated by the Director of the Federal Emergency Management Agency as a special flood hazard area, Grantor agrees to obtain and maintain Federal Flood Insurance, if available, within 45 days after notice is given by Lender that the Property is located in a special flood hazard area, for the full unpaid principal balance of the loan and any prior liens on the property securing the loan, up to the maximum policy limits set under the National Flood Insurance Program, or as otherwise required by Lender, and to maintain such insurance for the term of the loan.

Application of Proceeds. Grantor shall promptly notify Lender of any loss or damage to the Property if the estimated cost of repair or replacement exceeds $500.00. Lender may make proof of loss if Grantor fails to do so within fifteen (15) days of the casualty. Whether or not Lender's security is impaired, Lender may, at Lender's election, receive and retain the proceeds of any insurance and apply the proceeds to the reduction of the indebtedness, payment of any lien affecting the Property, or the restoration and repair of the Property. If Lender elects to apply the proceeds to restoration and repair, Grantor shall repair or replace the damaged or destroyed improvements in a manner satisfactory to Lender. Lender shall, upon satisfactory proof of such expenditure, pay or reimburse Grantor from the proceeds for the reasonable cost of repair or restoration if Grantor is not in default under this Deed of Trust. Any proceeds which have not been disbursed within 180 days after their receipt and which Lender has not committed to the repair or restoration of the Property shall be used first to pay any amount owing to Lender under this Deed of Trust, then to pay accrued interest, and the remainder, if any, shall be applied to the principal balance of the indebtedness. If Lender holds any proceeds after payment in full of the indebtedness, such proceeds shall be paid without interest to Grantor as Grantor's interests may appear.

Grantor's Report on Insurance. Upon request of Lender, however not more than once a year, Grantor shall furnish to Lender a report on each existing policy of insurance showing: (1) the name of the insurer; (2) the risks insured; (3) the amount of the policy; (4) the property insured, the then current replacement value of such property, and the manner of determining that value; and (5) the expiration date of the policy. Grantor shall, upon request of Lender, have an independent appraiser satisfactory to Lender determine the cash value replacement cost of the Property.

LENDER'S EXPENDITURES. If any action or proceeding is commenced that would materially affect Lender's interest in the Property or if Grantor fails to comply with any provision of this Deed of Trust or any Related Documents, including but not limited to Grantor's failure to discharge or pay when due any amounts Grantor is required to discharge or pay under this Deed of Trust or any Related Documents, Lender on Grantor's behalf may (but shall not be obligated to) take any action that Lender deems appropriate, including but not limited to discharging or paying all taxes, liens, security interests, encumbrances and other claims, at any time levied or placed on the Property and paying all costs for insuring, maintaining and preserving the Property. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the rate charged under the Note from the date incurred or paid by Lender to the date of repayment by Grantor. All such expenses will become a part of the indebtedness and, at Lender's option, will (A) be payable on

demand; (B) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (1) the term of any applicable insurance policy; or (2) the remaining term of the Note; or (C) be treated as a balloon payment which will be due and payable at the Note's maturity. The Deed of Trust also will secure payment of these amounts. Such right shall be in addition to all other rights and remedies to which Lender may be entitled upon Default.

WARRANTY; DEFENSE OF TITLE. The following provisions relating to ownership of the Property are a part of this Deed of Trust:

Title. Grantor warrants that: (a) Grantor holds good and marketable title of record to the Property in fee simple, free and clear of all liens and encumbrances other than those set forth in the Real Property description or in any title insurance policy, title report, or final title opinion issued in favor of, and accepted by, Lender in connection with this Deed of Trust, and (b) Grantor has the full right, power, and authority to execute and deliver this Deed of Trust to Lender.

Defense of Title. Subject to the exception in the paragraph above, Grantor warrants and will forever defend the title to the Property against the lawful claims of all persons. In the event any action or proceeding is commenced that questions Grantor's title or the interest of Trustee or Lender under this Deed of Trust, Grantor shall defend the action at Grantor's expense. Grantor may be the nominal party in such proceeding, but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of Lender's own choice, and Grantor will deliver, or cause to be delivered, to Lender such instruments as Lender may request from time to time to permit such participation.

Compliance With Laws. Grantor warrants that the Property and Grantor's use of the Property complies with all existing applicable laws, ordinances, and regulations of governmental authorities.

Survival of Representations and Warranties. All representations, warranties, and agreements made by Grantor in this Deed of Trust shall survive the execution and delivery of this Deed of Trust, shall be continuing in nature, and shall remain in full force and effect until such time as Borrower's indebtedness shall be paid in full.

CONDEMNATION. The following provisions relating to condemnation proceedings are a part of this Deed of Trust:

Proceedings. If any proceeding in condemnation is filed, Grantor shall promptly notify Lender in writing, and Grantor shall promptly take such steps as may be necessary to defend the action and obtain the award. Grantor may be the nominal party in such proceeding, but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of its own choice all at Grantor's expense, and Grantor will deliver or cause to be delivered to Lender such instruments and documentation as may be requested by Lender from time to time to permit such participation.

Application of Net Proceeds. If all or any part of the Property is condemned by eminent domain proceedings or by any proceeding or purchase in lieu of condemnation, Lender may at its election require that all or any portion of the net proceeds of the award be applied to the indebtedness or the repair or restoration of the Property. The net proceeds of the award shall mean the award after payment of all reasonable costs, expenses, and attorneys' fees incurred by Trustee or Lender in connection with the condemnation.

IMPOSITION OF TAXES, FEES AND CHARGES BY GOVERNMENTAL AUTHORITIES. The following provisions relating to governmental taxes, fees and charges are a part of this Deed of Trust:

Current Taxes, Fees and Charges. Upon request by Lender, Grantor shall execute such documents in addition to this Deed of Trust and take whatever other action is requested by Lender to perfect and continue Lender's lien on the Real Property. Grantor shall reimburse Lender for all taxes, as described below, together with all expenses incurred in recording, perfecting or continuing this Deed of Trust, including without limitation all taxes, fees, documentary stamps, and other charges for recording or registering this Deed of Trust.

Taxes. The following shall constitute taxes to which this section applies: (1) a specific tax upon this type of Deed of Trust or upon all or any part of the indebtedness secured by this Deed of Trust; (2) a specific tax on Borrower which Borrower is authorized or required to deduct from payments on the indebtedness secured by this type of Deed of Trust; (3) a tax on this type of Deed of Trust chargeable against the Lender or the holder of the Note; and (4) a specific tax on all or any portion of the indebtedness or on payments of principal and interest made by Borrower.

Subsequent Taxes. If any tax to which this section applies is enacted subsequent to the date of this Deed of Trust, this event shall have the same effect as an Event of Default, and Lender may exercise any or all of its available remedies for an Event of Default as provided below unless Grantor either (1) pays the tax before it becomes delinquent, or (2) contests the tax as provided above in the Taxes and Liens section and deposits with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender.

SECURITY AGREEMENT; FINANCING STATEMENTS. The following provisions relating to this Deed of Trust as a security agreement are a part of this Deed of Trust:

Security Agreement. This instrument shall constitute a Security Agreement to the extent any of the Property constitutes fixtures, and Lender shall have all of the rights of a secured party under the Uniform Commercial Code as amended from time to time.

Security Interest. Upon request by Lender, Grantor shall take whatever action is requested by Lender to perfect and continue Lender's security interest in the Rents and Personal Property. In addition to recording this Deed of Trust in the real property records, Lender may, at any time and without further authorization from Grantor, file executed counterparts, copies or reproductions of this Deed of Trust as a financing statement. Grantor shall reimburse Lender for all expenses incurred in perfecting or continuing this security interest. Upon default, Grantor shall not remove, sever or detach the Personal Property from the Property. Upon default, Grantor shall assemble any Personal Property not affixed to the Property in a manner and at a place reasonably convenient to Grantor and Lender and make it available to Lender within three (3) days after receipt of written demand from Lender to the extent permitted by applicable law.

Addresses. The mailing addresses of Grantor (debtor) and Lender (secured party) from which information concerning the security interest granted by this Deed of Trust may be obtained (each as required by the Uniform Commercial Code) are as stated on the first page of this Deed of Trust.

FURTHER ASSURANCES; ATTORNEY-IN-FACT. The following provisions relating to further assurances and attorney-in-fact are a part of this Deed of Trust:

Further Assurances. At any time, and from time to time, upon request of Lender, Grantor will make, execute and deliver, or will cause to be made, executed or delivered, to Lender or to Lender's designee, and when requested by Lender, cause to be filed, recorded, refiled, or rerecorded, as the case may be, at such times and in such offices and places as Lender may deem appropriate, any and all such mortgages, deeds of trust, security deeds, security agreements, financing statements, continuation statements, instruments of further assurance, certificates, and

other documents as may, in the sole opinion of Lender, be necessary or desirable in order to effectuate, complete, perfect, continue, or preserve (1) Borrower's and Grantor's obligations under the Note, this Deed of Trust, and the Related Documents, and (2) the liens and security interests created by this Deed of Trust as first and prior liens on the Property, whether now owned or hereafter acquired by Grantor. Unless prohibited by law or Lender agrees to the contrary in writing, Grantor shall reimburse Lender for all costs and expenses incurred in connection with the matters referred to in this paragraph.

Attorney-in-Fact. If Grantor fails to do any of the things referred to in the preceding paragraph, Lender may do so for and in the name of Grantor and at Grantor's expense. For such purposes, Grantor hereby irrevocably appoints Lender as Grantor's attorney-in-fact for the purpose of making, executing, delivering, filing, recording, and doing all other things as may be necessary or desirable, in Lender's sole opinion, to accomplish the matters referred to in the preceding paragraph.

FULL PERFORMANCE. If Borrower pays all the indebtedness when due, and otherwise performs all the obligations imposed upon Grantor under this Deed of Trust, Lender shall execute and deliver to Trustee a request for full reconveyance and shall execute and deliver to Grantor suitable statements of termination of any financing statement on file evidencing Lender's security interest in the Rents and the Personal Property. Any reconveyance fee shall be paid by Grantor, if permitted by applicable law. The grantee in any reconveyance may be described as the "person or persons legally entitled thereto", and the recitals in the reconveyance of any matters or facts shall be conclusive proof of the truthfulness of any such matters or facts.

EVENTS OF DEFAULT. Each of the following, at Lender's option, shall constitute an Event of Default under this Deed of Trust:

Payment Default. Borrower fails to make any payment when due under the indebtedness.

Other Defaults. Borrower or Grantor fails to comply with or to perform any other term, obligation, covenant or condition contained in this Deed of Trust or in any of the Related Documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower or Grantor.

Compliance Default. Failure to comply with any other term, obligation, covenant or condition contained in this Deed of Trust, the Note or in any of the Related Documents.

Default on Other Payments. Failure of Grantor within the time required by this Deed of Trust to make any payment for taxes or insurance, or any other payment necessary to prevent filing of or to effect discharge of any lien.

Default in Favor of Third Parties. Should Borrower or any Grantor default under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Grantor's property or Borrower's or any Grantor's ability to repay the indebtedness or perform their respective obligations under this Deed of Trust or any of the Related Documents.

False Statements. Any warranty, representation or statement made or furnished to Lender by Borrower or Grantor or on Borrower's or Grantor's behalf under this Deed of Trust or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Defective Collateralization. This Deed of Trust or any of the Related Documents ceases to be in full force and effect (including failure of any collateral document to create a valid and perfected security interest or lien) at any time and for any reason.

Death or Insolvency. The dissolution or termination of Borrower's or Grantor's existence as a going business, the insolvency of Borrower or Grantor, the appointment of a receiver for any part of Borrower's or Grantor's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower or Grantor.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or Grantor or by any governmental agency against any property securing the indebtedness. This includes a garnishment of any of Borrower's or Grantor's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower or Grantor as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower or Grantor gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Breach of Other Agreement. Any breach by Borrower or Grantor under the terms of any other agreement between Borrower or Grantor and Lender that is not remedied within any grace period provided therein, including without limitation any agreement concerning any indebtedness or other obligation of Borrower or Grantor to Lender, whether existing now or later.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any Guarantor of any of the indebtedness or any Guarantor dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any Guaranty of the indebtedness. In the event of a death, Lender, at its option, may, but shall not be required to, permit the Guarantor's estate to assume unconditionally the obligations arising under the guaranty in a manner satisfactory to Lender, and, in doing so, cure any Event of Default.

Adverse Change. A material adverse change occurs in Borrower's or Grantor's financial condition, or Lender believes the prospect of payment or performance of the indebtedness is impaired.

Insecurity. Lender in good faith believes itself insecure.

Right to Cure. If any default, other than a default in payment is curable and if Grantor has not been given a notice of a breach of the same provision of this Deed of Trust within the preceding twelve (12) months, it may be cured if Grantor, after receiving written notice from Lender demanding cure of such default: (1) cures the default within fifteen (15) days; or (2) if the cure requires more than fifteen (15) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

RIGHTS AND REMEDIES ON DEFAULT. If an Event of Default occurs under this Deed of Trust, at any time thereafter, Trustee or Lender may exercise any one or more of the following rights and remedies:

Election of Remedies. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Grantor under this Deed of Trust, after Grantor's failure to perform, shall not affect Lender's right to declare a default and exercise its remedies.

Accelerate Indebtedness. Lender shall have the right at its option to declare the entire indebtedness immediately due and payable, including any prepayment penalty which Borrower would be required to pay.

EXHIBIT 2

Foreclosure. With respect to all or any part of the Real Property, the Trustee shall have the right to exercise its power of sale and to foreclose by notice and sale, and Lender shall have the right to foreclose by judicial foreclosure, in either case in accordance with and to the full extent provided by applicable law.

UCC Remedies. With respect to all or any part of the Personal Property, Lender shall have all the rights and remedies of a secured party under the Uniform Commercial Code.

Collect Rents. Lender shall have the right, without notice to Borrower or Grantor to take possession of and manage the Property and collect the Rents, including amounts past due and unpaid, and apply the net proceeds, over and above Lender's costs, against the Indebtedness. In furtherance of this right, Lender may require any tenant or other user of the Property to make payments of rent or use fees directly to Lender. If the Rents are collected by Lender, then Grantor irrevocably designates Lender as Grantor's attorney-in-fact to endorse instruments received in payment thereof in the name of Grantor and to negotiate the same and collect the proceeds. Payments by tenants or other users to Lender in response to Lender's demand shall satisfy the obligations for which the payments are made, whether or not any proper grounds for the demand existed. Lender may exercise its rights under this subparagraph either in person, by agent, or through a receiver.

Appoint Receiver. Lender shall have the right to have a receiver appointed to take possession of all or any part of the Property, with the power to protect and preserve the Property, to operate the Property preceding or pending foreclosure or sale, and to collect the Rents from the Property and apply the proceeds, over and above the cost of the receivership, against the Indebtedness. The receiver may serve without bond if permitted by law. Lender's right to the appointment of a receiver shall exist whether or not the apparent value of the Property exceeds the Indebtedness by a substantial amount. Employment by Lender shall not disqualify a person from serving as a receiver.

Tenancy at Sufferance. If Grantor remains in possession of the Property after the Property is sold as provided above or Lender otherwise becomes entitled to possession of the Property upon default of Grantor, Grantor shall become a tenant at sufferance of Lender or the purchaser of the Property and shall, at Lender's option, either (1) pay a reasonable rental for the use of the Property, or (2) vacate the Property immediately upon the demand of Lender.

Other Remedies. Trustee or Lender shall have any other right or remedy provided in this Deed of Trust or the Note or by law.

Notice of Sale. Lender shall give Grantor reasonable notice of the time and place of any public sale of the Personal Property or of the time after which any private sale or other intended disposition of the Personal Property is to be made. Reasonable notice shall mean notice given at least ten (10) days before the time of the sale or disposition. Any sale of the Personal Property may be made in conjunction with any sale of the Real Property.

Sale of the Property. To the extent permitted by applicable law, Borrower and Grantor hereby waives any and all rights to have the Property marshalled. In exercising its rights and remedies, the Trustee or Lender shall be free to sell all or any part of the Property together or separately, in one sale or by separate sales. Lender shall be entitled to bid at any public sale on all or any portion of the Property.

Attorneys' Fees; Expenses. If Lender institutes any suit or action to enforce any of the terms of this Deed of Trust, Lender shall be entitled to recover such sum as the court may adjudge reasonable as attorneys' fees at trial and upon any appeal. Whether or not any court action is involved, and to the extent not prohibited by law, all reasonable expenses Lender incurs that in Lender's opinion are necessary at any time for the protection of its interest or the enforcement of its rights shall become a part of the Indebtedness payable on demand and shall bear interest at the Note rate from the date of the expenditure until repaid. Expenses covered by this paragraph include, without limitation, however subject to any limits under applicable law, Lender's attorneys' fees and Lender's legal expenses, whether or not there is a lawsuit, including attorneys' fees and expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services, the cost of searching records, obtaining title reports (including foreclosure reports), surveyors' reports, and appraisal fees, title insurance, and fees for the Trustee, to the extent permitted by applicable law. Grantor also will pay any court costs, in addition to all other sums provided by law.

Rights of Trustee. Trustee shall have all of the rights and duties of Lender as set forth in this section.

POWERS AND OBLIGATIONS OF TRUSTEE. The following provisions relating to the powers and obligations of Trustee (pursuant to Lender's instructions) are part of this Deed of Trust:

Powers of Trustee. In addition to all powers of Trustee arising as a matter of law, Trustee shall have the power to take the following actions with respect to the Property upon the written request of Lender and Grantor: (a) join in preparing and filing a map or plat of the Real Property, including the dedication of streets or other rights to the public; (b) join in granting any easement or creating any restriction on the Real Property; and (c) join in any subordination or other agreement affecting this Deed of Trust or the interest of Lender under this Deed of Trust.

Obligations to Notify. Trustee shall not be obligated to notify any other party of a pending sale under any other trust deed or lien, or of any action or proceeding in which Grantor, Lender, or Trustee shall be a party, unless required by applicable law, or unless the action or proceeding is brought by Trustee.

Trustee. Trustee shall meet all qualifications required for Trustee under applicable law. In addition to the rights and remedies set forth above, with respect to all or any part of the Property, the Trustee shall have the right to foreclose by notice and sale, and Lender shall have the right to foreclose by judicial foreclosure, in either case in accordance with and to the full extent provided by applicable law.

Successor Trustee. Lender, at Lender's option, may from time to time appoint a successor Trustee to any Trustee appointed under this Deed of Trust by an instrument executed and acknowledged by Lender and recorded in the office of the recorder of Clark County, State of Washington. The instrument shall contain, in addition to all other matters required by state law, the names of the original Lender, Trustee, and Grantor, the book and page or the Auditor's File Number where this Deed of Trust is recorded, and the name and address of the successor trustee, and the instrument shall be executed and acknowledged by Lender or its successors in interest. The successor trustee, without conveyance of the Property, shall succeed to all the title, power, and duties conferred upon the Trustee in this Deed of Trust and by applicable law. This procedure for substitution of Trustee shall govern to the exclusion of all other provisions for substitution.

NOTICES. Subject to applicable law, and except for notice required or allowed by law to be given in another manner, any notice required to be given under this Deed of Trust, including without limitation any notice of default and any notice of sale shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Deed of Trust. All copies of notices of foreclosure from the holder of any lien which has priority over this Deed of Trust shall be sent to Lender's address, as shown near the beginning of

this Deed of Trust. Any party may change its address for notices under this Deed of Trust by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Grantor agrees to keep Lender informed at all times of Grantor's current address. Subject to applicable law, and except for notice required or allowed by law to be given in another manner, if there is more than one Grantor, any notice given by Lender to any Grantor is deemed to be notice given to all Grantors.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Deed of Trust:

Amendments. This Deed of Trust, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Deed of Trust. No alteration of or amendment to this Deed of Trust shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Annual Reports. If the Property is used for purposes other than Grantor's residence, Grantor shall furnish to Lender, upon request, a certified statement of net operating income received from the Property during Grantor's previous fiscal year in such form and detail as Lender shall require. "Net operating income" shall mean all cash receipts from the Property less all cash expenditures made in connection with the operation of the Property.

Arbitration. Borrower and Grantor and Lender agree that all disputes, claims and controversies between them whether individual, joint, or class in nature, arising from this Deed of Trust or otherwise, including without limitation contract and tort disputes, shall be arbitrated pursuant to the Rules of the American Arbitration Association in effect at the time the claim is filed, upon request of either party. No act to take or dispose of any Property shall constitute a waiver of this arbitration agreement or be prohibited by this arbitration agreement. This includes, without limitation, obtaining injunctive relief or a temporary restraining order; invoking a power of sale under any deed of trust or mortgage; obtaining a writ of attachment or imposition of a receiver; or exercising any rights relating to personal property, including taking or disposing of such property with or without judicial process pursuant to Article 9 of the Uniform Commercial Code. Any disputes, claims, or controversies concerning the lawfulness or reasonableness of any act, or exercise of any right, concerning any Property, including any claim to rescind, reform, or otherwise modify any agreement relating to the Property, shall also be arbitrated, provided however that no arbitrator shall have the right or the power to enjoin or restrain any act of any party. Judgment upon any award rendered by any arbitrator may be entered in any court having jurisdiction. Nothing in this Deed of Trust shall preclude any party from seeking equitable relief from a court of competent jurisdiction. The statute of limitations, estoppel, waiver, laches, and similar doctrines which would otherwise be applicable in an action brought by a party shall be applicable in any arbitration proceeding, and the commencement of an arbitration proceeding shall be deemed the commencement of an action for these purposes. The Federal Arbitration Act shall apply to the construction, interpretation, and enforcement of this arbitration provision.

Caption Headings. Caption headings in this Deed of Trust are for convenience purposes only and are not to be used to interpret or define the provisions of this Deed of Trust.

Merger. There shall be no merger of the interest or estate created by this Deed of Trust with any other interest or estate in the Property at any time held by or for the benefit of Lender in any capacity, without the written consent of Lender.

Governing Law. This Deed of Trust will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Washington without regard to its conflicts of law provisions. This Deed of Trust has been accepted by Lender in the State of Washington.

Choice of Venue. If there is a lawsuit, Grantor agrees upon Lender's request to submit to the jurisdiction of the courts of Clark County, State of Washington.

Joint and Several Liability. All obligations of Borrower and Grantor under this Deed of Trust shall be joint and several, and all references to Grantor shall mean each and every Grantor, and all references to Borrower shall mean each and every Borrower. This means that each Borrower and Grantor signing below is responsible for all obligations in this Deed of Trust.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Deed of Trust unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Deed of Trust shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Deed of Trust. No prior waiver by Lender, nor any course of dealing between Lender and Grantor, shall constitute a waiver of any of Lender's rights or of any of Grantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Deed of Trust, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Severability. If a court of competent jurisdiction finds any provision of this Deed of Trust to be illegal, invalid, or unenforceable as to any person or circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other person or circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Deed of Trust. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Deed of Trust shall not affect the legality, validity or enforceability of any other provision of this Deed of Trust.

Successors and Assigns. Subject to any limitations stated in this Deed of Trust on transfer of Grantor's interest, this Deed of Trust shall be binding upon and inure to the benefit of the parties, their successors and assigns. If ownership of the Property becomes vested in a person other than Grantor, Lender, without notice to Grantor, may deal with Grantor's successors with reference to this Deed of Trust and the indebtedness by way of forbearance or extension without releasing Grantor from the obligations of this Deed of Trust or liability under the indebtedness.

Time is of the Essence. Time is of the essence in the performance of this Deed of Trust.

Waiver of Homestead Exemption. Grantor hereby releases and waives all rights and benefits of the homestead exemption laws of the State of Washington as to all indebtedness secured by this Deed of Trust.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Deed of Trust. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Deed of Trust shall have the meanings attributed to such terms in the Uniform Commercial Code:

Beneficiary. The word "Beneficiary" means Bank of Clark County, and its successors and assigns.

Borrower. The word "Borrower" means Hinton Development Corporation and includes all co-signers and co-makers signing the Note and all their successors and assigns.

Deed of Trust. The words "Deed of Trust" mean this Deed of Trust among Grantor, Lender, and Trustee, and includes without limitation all assignment and security interest provisions relating to the Personal Property and Rents.

Default. The word "Default" means the Default set forth in this Deed of Trust in the section titled "Default".

Event of Default. The words "Event of Default" mean any of the events of default set forth in this Deed of Trust in the events of default section of this Deed of Trust.

Grantor. The word "Grantor" means Mark Hinton and Joni J. Hinton.

Guarantor. The word "Guarantor" means any guarantor, surety, or accommodation party of any or all of the Indebtedness.

Guaranty. The word "Guaranty" means the guaranty from Guarantor to Lender, including without limitation a guaranty of all or part of the Note.

Improvements. The word "Improvements" means all existing and future improvements, buildings, structures, mobile homes affixed on the Real Property, facilities, additions, replacements and other construction on the Real Property.

Indebtedness. The word "Indebtedness" means all principal, interest, and other amounts, costs and expenses payable under the Note or Related Documents, together with all renewals of, extensions of, modifications of, consolidations of and substitutions for the Note or Related Documents and any amounts expended or advanced by Lender to discharge Grantor's obligations or expenses incurred by Trustee or Lender to enforce Grantor's obligations under this Deed of Trust, together with interest on such amounts as provided in this Deed of Trust. Specifically, without limitation, Indebtedness includes all amounts that may be indirectly secured by the Cross-Collateralization provision of this Deed of Trust.

Lender. The word "Lender" means Bank of Clark County, its successors and assigns.

Note. The word "Note" means the promissory note dated November 22, 2005, in the original principal amount of $1,760,000.00 from Borrower to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement. **NOTICE TO GRANTOR: THE NOTE CONTAINS A VARIABLE INTEREST RATE.**

Personal Property. The words "Personal Property" mean all equipment, fixtures, and other articles of personal property now or hereafter owned by Grantor, and now or hereafter attached or affixed to the Real Property; together with all accessions, parts, and additions to, all replacements of, and all substitutions for, any of such property; and together with all issues and profits thereon and proceeds (including without limitation all insurance proceeds and refunds of premiums) from any sale or other disposition of the Property.

Property. The word "Property" means collectively the Real Property and the Personal Property.

Real Property. The words "Real Property" mean the real property, interests and rights, as further described in this Deed of Trust.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness; provided, that the environmental indemnity agreements are not "Related Documents" and are not secured by this Deed of Trust.

Rents. The word "Rents" means all present and future rents, revenues, income, issues, royalties, profits, and other benefits derived from the Property.

Trustee. The word "Trustee" means Trustee Services Inc., whose mailing address is P.O. Box 2980, Silverdale, WA 98383-2980 and any substitute or successor trustees.

EACH GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS DEED OF TRUST, AND EACH GRANTOR AGREES TO ITS TERMS.

GRANTOR:

X _____
Mark Hinton

X _____
Joni J. Hinton

EXHIBIT D
RCM000881 0-000000998
PAGE 8 OF 11

INDIVIDUAL ACKNOWLEDGMENT

MELINDA A. CALEN
COMMISSION EXPIRES
NOTARY
PUBLIC
SEPTEMBER 16, 2009
STATE OF WASHINGTON

STATE OF Washington)
) SS
COUNTY OF Clark)

On this day before me, the undersigned Notary Public, personally appeared Mark Hinton, [illegible] known to me or proved to me on the basis of satisfactory evidence to be the individual described in and who executed the Deed of Trust, and acknowledged that he or she signed the Deed of Trust as his or her free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 22nd day of November, 20 05

By Melinda A. Calen
Notary Public in and for the State of WA

Residing at Vancouver
My commission expires 9.16.09

INDIVIDUAL ACKNOWLEDGMENT

MELINDA A. CALEN
COMMISSION EXPIRES
NOTARY
PUBLIC
SEPTEMBER 16, 2009
STATE OF WASHINGTON

STATE OF Washington)
) SS
COUNTY OF Clark)

On this day before me, the undersigned Notary Public, personally appeared Joni J. Hinton, [illegible] known to me or proved to me on the basis of satisfactory evidence to be the individual described in and [illegible] the Deed of Trust, and acknowledged that he or she signed the Deed of Trust as his or her free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 22nd day of November, 20 05

By Melinda A. Calen
Notary Public in and for the State of WA

Residing at Vancouver
My commission expires 9.16.09

REQUEST FOR FULL RECONVEYANCE

To: _____, Trustee

The undersigned is the legal owner and holder of all indebtedness secured by this Deed of Trust. You are hereby requested, upon payment of all sums owing to you, to reconvey without warranty, to the persons entitled thereto, the right, title and interest now held by you under the Deed of Trust.

Date: _____

Beneficiary: _____
By: _____
Its: _____

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EXHIBIT 2
PAGE

Fidelity National Title Company of Washington

EXHIBIT A

Description: **Order No.: V40733**

A portion of the Northwest quarter of the Southeast quarter of Section 3, Township 3 North, Range 2 East, Willamette Meridian, City of Battle Ground, Clark County, Washington, described as follows:

BEGINNING at a concrete monument with brass cap marking the Quarter corner between Sections 2 and 3; thence North 89°27'07" West, along the North line of the Southeast quarter of Section 3, for a distance of 1510.18 feet to a ½ inch iron rod as shown in Book 41 of Surveys at page 160, Clark County Auditor's Records, said point being the Northwest corner of the CITY OF BATTLE GROUND TRACT as described under Clark County Auditor's File No. 8811210044; thence South 00°48'26" West, along the West line of the CITY OF BATTLE GROUND TRACT, 829.40 feet to a ½ inch iron rod (Survey 41-160); thence continuing along the West line of the CITY OF BATTLE GROUND TRACT, South 00°44'55" West, 60.55 feet to a 1/2 inch iron rod (Survey 41-160) marking the Northeast corner of the BATTLE GROUND ASSOCIATES TRACT as described under Clark County Auditor's File No. 9106170021; thence North 89°22'24" West along the North line of the BATTLE GROUND ASSOCIATES TRACT, 350.00 feet to the TRUE POINT OF BEGINNING; thence continuing North 89°22'24" West 258.24 feet to a 1/2 inch iron rod (Survey 41-160) marking the Northwest corner of the BATTLE GROUND ASSOCIATES TRACT; thence South 00°34'33" West, 430.16 feet to a 1/2 inch iron rod (Survey 41-160) marking the Southwest corner of the BATTLE GROUND ASSOCIATES TRACT, said point also being at the Northwest corner of the BATTLE GROUND SCHOOL DISTRICT #119 TRACT as described under Clark County Auditor's File No. 8001080068; thence North 89°22'33" West, along the North line of the GARDNER TRACT as described under Clark County Auditor's File No. 9502140193, for a distance of 372.78 feet to a 1/2 inch iron rod (Survey 41-160) on the East right-of-way line of State Route 503 as shown on the Washington State Department of Transportation right-of-way and alignment plan dated June 4, 1994; thence North 00°54'57" East, along said East right-of-way line, 739.38 feet to the Southwest corner of the CITY OF BATTLE GROUND TRACT as described under Clark County Auditor's File No. 3126557; thence South 89°27'07" East, along the South line of the CITY OF BATTLE GROUND TRACT, 627.82 feet; thence South 00°47'46" West, 310.06 feet to the TRUE POINT OF BEGINNING.

AND a portion of the Northwest quarter of the Southeast quarter of Section 3, Township 3 North, Range 2 East, Willamette Meridian, City of Battle Ground, Clark County, Washington, described as follows:

EXHIBIT 2

Fidelity National Title Company of Washington

EXHIBIT A

ORDER NO: V40733
Continued...

BEGINNING at a concrete monument with brass cap marking the Quarter corner between Sections 2 and 3; thence North 89°27'07" West, along the North line of the Southeast quarter of Section 3, for a distance of 1510.18 feet to a 1/2 inch iron rod as shown in Book 41 of Surveys at page 160, Clark County Auditor's Records, said point being the Northwest corner of the CITY OF BATTLE GROUND TRACT as described under Clark County Auditor's File No. 8811210044; thence South 00°48'26" West, along the West line of the CITY OF BATTLE GROUND TRACT, 579.40 feet to the TRUE POINT OF BEGINNING; thence continuing South 00°48'26" West, 250.00 feet to a 1/2 inch iron rod (Survey 41-160); thence continuing along the West line of the CITY OF BATTLE GROUND TRACT South 00°44'55" West, 60.55 feet to a 1/2 inch iron rod (Survey 41-160) marking the Northeast corner of the BATTLE GROUND ASSOCIATES TRACT as described under Clark County Auditor's File No. 9106170021; thence North 89°22'24" West, 350.00 feet; thence North 00°47'46" East, 310.06 feet to the South line of the CITY OF BATTLE GROUND TRACT as described under Clark County Auditor's File No. 3126557; thence South 89°27'07" East, parallel with the North line of the Southeast quarter of Section 3, for a distance of 350.00 feet to the TRUE POINT OF BEGINNING.

EXCEPT that portion conveyed to the State of Washington under Auditor's File No. 4028442.

EXHIBIT 2

APPENDIX C

MARK HINTON COMMERCIAL GUARANTY
(CP-274-76)

536720526

COMMERCIAL GUARANTY

7.28.05

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
				51 / 00	536720523	JMT	

References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item.
Any item above containing "*****" has been omitted due to text length limitations.

Borrower: Hinton Development Corporation
14010 A NE 3rd Ct Suite 106
Vancouver, WA 98685

Lender: Bank of Clark County
1400 Washington St. Suite 200
PO Box 61725
Vancouver, WA 98666-1725

Guarantor: Mark Hinton
12405 NW 43rd Cl
Vancouver, WA 98685

AMOUNT OF GUARANTY. The amount of this Guaranty is Unlimited.

CONTINUING UNLIMITED GUARANTY. For good and valuable consideration, Mark Hinton ("Guarantor") absolutely and unconditionally guarantees and promises to pay to Bank of Clark County ("Lender") or its order, on demand, in legal tender of the United States of America, the indebtedness (as that term is defined herein) of Hinton Development Corporation ("Borrower") to Lender on the terms and conditions set forth in this Guaranty. This Guaranty is a guaranty of payment and not a guaranty of collection. Under this Guaranty, the liability of Guarantor is unlimited and the obligations of Guarantor are continuing.

INDEBTEDNESS GUARANTEED. The indebtedness guaranteed by this Guaranty includes any and all of Borrower's indebtedness to Lender and is used in the most comprehensive sense and means and includes any and all of Borrower's liabilities, obligations and debts to Lender, now existing or hereinafter incurred or created, including, without limitation, all loans, advances, interest, costs, debts, overdraft indebtedness, credit card indebtedness, lease obligations, other obligations, and liabilities of Borrower, or any of them, and any present or future judgments against Borrower, or any of them; and whether any such indebtedness is voluntarily or involuntarily incurred, due or not due, absolute or contingent, liquidated or unliquidated, determined or undetermined; whether Borrower may be liable individually or jointly with others, or primarily or secondarily, or as guarantor or surety; whether recovery on the indebtedness may be or may become barred or unenforceable against Borrower for any reason whatsoever; and whether the indebtedness arises from transactions which may be voidable on account of infancy, insanity, ultra vires, or otherwise.

DURATION OF GUARANTY. This Guaranty will take effect when received by Lender without the necessity of any acceptance by Lender, or any notice to Guarantor or to Borrower, and will continue in full force until all indebtedness incurred or contracted before receipt by Lender of any notice of revocation shall have been fully and finally paid and satisfied and all of Guarantor's other obligations under this Guaranty shall have been performed in full. If Guarantor elects to revoke this Guaranty, Guarantor may only do so in writing. Guarantor's written notice of revocation must be mailed to Lender, by certified mail, at Lender's address listed above or such other place as Lender may designate in writing. Written revocation of this Guaranty will apply only to advances or new indebtedness created after actual receipt by Lender of Guarantor's written revocation. For this purpose and without limitation, the term "new indebtedness" does not include indebtedness which at the time of notice of revocation is contingent, unliquidated, indetermined or not due and which later becomes absolute, liquidated, determined or due. This Guaranty will continue to bind Guarantor for all indebtedness incurred by Borrower or committed by Lender prior to receipt of Guarantor's written notice of revocation, including any extensions, renewals, substitutions or modifications of the indebtedness. All renewals, extensions, substitutions, and modifications of the indebtedness granted after Guarantor's revocation, are contemplated under this Guaranty and, specifically will not be considered to be new indebtedness. This Guaranty shall bind Guarantor's estate as to indebtedness created both before and after Guarantor's death or incapacity, regardless of Lender's actual notice of Guarantor's death. Subject to the foregoing, Guarantor's executor or administrator or other legal representative may terminate this Guaranty in the same manner in which Guarantor might have terminated it and with the same effect. Release of any other guarantor or termination of any other guaranty of the indebtedness shall not affect the liability of Guarantor under this Guaranty. A revocation Lender receives from any one or more Guarantors shall not affect the liability of any remaining Guarantors under this Guaranty. It is anticipated that fluctuations may occur in the aggregate amount of indebtedness covered by this Guaranty, and Guarantor specifically acknowledges and agrees that reductions in the amount of indebtedness, even to zero dollars ($0.00), prior to Guarantor's written revocation of this Guaranty shall not constitute a termination of this Guaranty. This Guaranty is binding upon Guarantor and Guarantor's heirs, successors and assigns so long as any of the guaranteed indebtedness remains unpaid and even though the indebtedness guaranteed may from time to time be zero dollars ($0.00).

OBLIGATIONS OF MARRIED PERSONS. Any married person who signs this Guaranty hereby expressly agrees that recourse under this Guaranty may be had against both his or her separate property and community property.

GUARANTOR'S AUTHORIZATION TO LENDER. Guarantor authorizes Lender, either before or after any revocation hereof, without notice or demand and without lessening Guarantor's liability under this Guaranty, from time to time: (A) prior to revocation as set forth above, to make one or more additional secured or unsecured loans to Borrower, to lease equipment or other goods to Borrower, or otherwise to extend additional credit to Borrower; (B) to alter, compromise, renew, extend, accelerate, or otherwise change one or more times the time for payment or other terms of the indebtedness or any part of the indebtedness, including increases and decreases of the rate of interest on the indebtedness; extensions may be repeated and may be for longer than the original loan term; (C) to take and hold security for the payment of this Guaranty or the indebtedness, and exchange, enforce, waive, subordinate, fail or decide not to perfect, and release any such security, with or without the substitution of new collateral; (D) to release, substitute, agree not to sue, or deal with any one or more of Borrower's sureties, endorsers, or other guarantors on any terms or in any manner Lender may choose; (E) to determine how, when and what application of payments and credits shall be made on the indebtedness; (F) to apply such security and direct the order or manner of sale thereof, including without limitation, any nonjudicial sale permitted by the terms of the controlling security agreement or deed of trust, as Lender in its discretion may determine; (G) to sell, transfer, assign or grant participations in all or any part of the indebtedness; and (H) to assign or transfer this Guaranty in whole or in part.

GUARANTOR'S REPRESENTATIONS AND WARRANTIES. Guarantor represents and warrants to Lender that (A) no representations or agreements of any kind have been made to Guarantor which would limit or qualify in any way the terms of this Guaranty; (B) this Guaranty is executed at Borrower's request and not at the request of Lender; (C) Guarantor has full power, right and authority to enter into this Guaranty; (D) the provisions of this Guaranty do not conflict with or result in a default under any agreement or other instrument binding upon Guarantor and do not result in a violation of any law, regulation, court decree or order applicable to Guarantor; (E) Guarantor has not and will not, without the prior written consent of Lender, sell, lease, assign, encumber, hypothecate, transfer, or otherwise dispose of all or substantially all of Guarantor's assets, or any interest therein; (F) upon Lender's request, Guarantor will provide to Lender financial and credit information in form acceptable to Lender, and all such financial information which currently has been, and all future financial information which will be provided to Lender is and will be true and correct in all material respects and fairly present Guarantor's financial condition as of the dates the financial information is provided; (G) no material adverse change has occurred in Guarantor's financial condition since the date of the most recent financial statements provided to Lender and no event has occurred which may materially adversely affect Guarantor's financial condition; (H) no litigation, claim, investigation, administrative proceeding or similar action (including those for unpaid taxes) against Guarantor is pending or threatened; (I) Lender has made no representation to Guarantor as to the creditworthiness of Borrower; and (J) Guarantor has established adequate means of obtaining from Borrower on a continuing basis information

Exhibit B

regarding Borrower's financial condition. Guarantor agrees to keep adequately informed from such means of any facts, events, or circumstances which might in any way affect Guarantor's risks under this Guaranty, and Guarantor further agrees that, absent a request for information, Lender shall have no obligation to disclose to Guarantor any information or documents acquired by Lender in the course of its relationship with Borrower.

GUARANTOR'S FINANCIAL STATEMENTS. Guarantor agrees to furnish Lender with the following:

Annual Statements. As soon as available, but in no event later than thirty (30) days after the end of each fiscal year, Guarantor's balance sheet and income statement for the year ended, prepared by Guarantor.

Tax Returns. As soon as available, but in no event later than thirty (30) days after the applicable filing date for the tax reporting period ended, Federal and other governmental tax returns, prepared by a certified public accountant satisfactory to Lender.

All financial reports required to be provided under this Guaranty shall be prepared in accordance with GAAP, applied on a consistent basis, and certified by Guarantor as being true and correct.

GUARANTOR'S WAIVERS. Except as prohibited by applicable law, Guarantor waives any right to require Lender (A) to continue lending money or to extend other credit to Borrower; (B) to make any presentment, protest, demand, or notice of any kind, including notice of any nonpayment of the Indebtedness or of any nonpayment related to any collateral, or notice of any action or nonaction on the part of Borrower, Lender, any surety, endorser, or other guarantor in connection with the Indebtedness or in connection with the creation of new or additional loans or obligations; (C) to resort for payment or to proceed directly or at once against any person, including Borrower or any other guarantor; (D) to proceed directly against or exhaust any collateral held by Lender from Borrower, any other guarantor, or any other person; (E) to pursue any other remedy within Lender's power; or (F) to commit any act or omission of any kind, or at any time, with respect to any matter whatsoever.

In addition to the waivers set forth herein, if now or hereafter Borrower is or shall become insolvent and the Indebtedness shall not at all times until paid be fully secured by collateral pledged by Borrower, Guarantor hereby forever waives and gives up in favor of Lender and Borrower, and Lender's and Borrower's respective successors, any claim or right to payment Guarantor may now have or hereafter have or acquire against Borrower, by subrogation or otherwise, so that at no time shall Guarantor be or become a "creditor" of Borrower within the meaning of 11 U.S.C. section 547(b), or any successor provision of the Federal bankruptcy laws.

Guarantor also waives any and all rights or defenses based on suretyship or impairment of collateral including, but not limited to, any rights or defenses arising by reason of (A) any "one action" or "anti-deficiency" law or any other law which may prevent Lender from bringing any action, including a claim for deficiency, against Guarantor, before or after Lender's commencement or completion of any foreclosure action, either judicially or by exercise of a power of sale; (B) any election of remedies by Lender which destroys or otherwise adversely affects Guarantor's subrogation rights or Guarantor's rights to proceed against Borrower for reimbursement, including without limitation, any loss of rights Guarantor may suffer by reason of any law limiting, qualifying, or discharging the Indebtedness; (C) any disability or other defense of Borrower, of any other guarantor, or of any other person, or by reason of the cessation of Borrower's liability from any cause whatsoever, other than payment in full in legal tender, of the Indebtedness; (D) any right to claim discharge of the Indebtedness on the basis of unjustified impairment of any collateral for the Indebtedness; (E) any statute of limitations, if at any time any action or suit brought by Lender against Guarantor is commenced, there is outstanding Indebtedness of Borrower to Lender which is not barred by any applicable statute of limitations; or (F) any defenses given to guarantors at law or in equity other than actual payment and performance of the Indebtedness. If payment is made by Borrower, whether voluntarily or otherwise, or by any third party, on the Indebtedness and thereafter Lender is forced to remit the amount of that payment to Borrower's trustee in bankruptcy or to any similar person under any federal or state bankruptcy law or law for the relief of debtors, the Indebtedness shall be considered unpaid for the purpose of the enforcement of this Guaranty.

Guarantor further waives and agrees not to assert or claim at any time any deductions to the amount guaranteed under this Guaranty for any claim of setoff, counterclaim, counter demand, recoupment or similar right, whether such claim, demand or right may be asserted by the Borrower, the Guarantor, or both.

GUARANTOR'S UNDERSTANDING WITH RESPECT TO WAIVERS. Guarantor warrants and agrees that each of the waivers set forth above is made with Guarantor's full knowledge of its significance and consequences and that, under the circumstances, the waivers are reasonable and not contrary to public policy or law. If any such waiver is determined to be contrary to any applicable law or public policy, such waiver shall be effective only to the extent permitted by law or public policy.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Guarantor's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Guarantor holds jointly with someone else and all accounts Guarantor may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Guarantor authorizes Lender, to the extent permitted by applicable law, to hold these funds if there is a default, and Lender may apply the funds in these accounts to pay what Guarantor owes under the terms of this Guaranty.

SUBORDINATION OF BORROWER'S DEBTS TO GUARANTOR. Guarantor agrees that the Indebtedness of Borrower to Lender, whether now existing or hereafter created, shall be superior to any claim that Guarantor may now have or hereafter acquire against Borrower, whether or not Borrower becomes insolvent. Guarantor hereby expressly subordinates any claim Guarantor may have against Borrower, upon any account whatsoever, to any claim that Lender may now or hereafter have against Borrower. In the event of insolvency and consequent liquidation of the assets of Borrower, through bankruptcy, by an assignment for the benefit of creditors, by voluntary liquidation, or otherwise, the assets of Borrower applicable to the payment of the claims of both Lender and Guarantor shall be paid to Lender and shall be first applied by Lender to the Indebtedness of Borrower to Lender. Guarantor does hereby assign to Lender all claims which it may have or acquire against Borrower or against any assignee or trustee in bankruptcy of Borrower; provided however, that such assignment shall be effective only for the purpose of assuring to Lender full payment in legal tender of the Indebtedness. If Lender so requests, any notes or credit agreements now or hereafter evidencing any debts or obligations of Borrower to Guarantor shall be marked with a legend that the same are subject to this Guaranty and shall be delivered to Lender. Guarantor agrees, and Lender is hereby authorized, in the name of Guarantor, from time to time to file financing statements and continuation statements and to execute documents and to take such other actions as Lender deems necessary or appropriate to perfect, preserve and enforce its rights under this Guaranty.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Guaranty:

Amendments. This Guaranty, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Guaranty. No alteration of or amendment to this Guaranty shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Arbitration. Borrower and Guarantor and Lender agree that all disputes, claims and controversies between them whether individual, joint, or class in nature, arising from this Guaranty or otherwise, including without limitation contract and tort disputes, shall be arbitrated pursuant to the Rules of the American Arbitration Association in effect at the time the claim is filed, upon request of either party. No act to take or dispose of any Collateral shall constitute a waiver of this arbitration agreement or be prohibited by this arbitration agreement. This includes, without limitation, obtaining injunctive relief or a temporary restraining order; invoking a power of sale under any deed of trust or mortgage; obtaining a writ of attachment or imposition of a receiver; or exercising any rights relating to personal property, including taking or disposing of such property with or without judicial process pursuant to Article 9 of the Uniform Commercial Code. Any disputes, claims, or controversies concerning the lawfulness or reasonableness of an act, or exercise of any right, concerning any

Exhibit B
0-000000275

agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

.ACH UNDERSIGNED GUARANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS GUARANTY AND AGREES TO ITS TERMS. IN ADDITION, EACH GUARANTOR UNDERSTANDS THAT THIS GUARANTY IS EFFECTIVE UPON GUARANTOR'S EXECUTION AND DELIVERY OF THIS GUARANTY TO LENDER AND THAT THE GUARANTY WILL CONTINUE UNTIL TERMINATED IN THE MANNER SET FORTH IN THE SECTION TITLED "DURATION OF GUARANTY". NO FORMAL ACCEPTANCE BY LENDER IS NECESSARY TO MAKE THIS GUARANTY EFFECTIVE. THIS GUARANTY IS DATED JULY 28, 2005.

GUARANTOR:

Mark Hinton

LASER PRO Lending, Ver. 5.27 (06.05) Copyright Harland Financial Solutions, Inc. 1997, 2005 All Rights Reserved - WA H:\CFWINCTN\JDM PC TR-3124 PR LOCLIMGEC

APPENDIX D

TRUSTEE'S DEED
(CP-1172-77)

9

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4770991 D
RecFee - $67.00 Pages: 6 - FIDELITY NATIONAL TITLE
Clark County, WA 06/15/2011 11:53

AFTER RECORDING, RETURN TO:
Christine M. Wallentine
STOEL RIVES LLP
900 SW Fifth Avenue, Suite 2600
Portland, OR 97204
0042617-00070

665853

Real Estate Excise Tax
Ch. 11 Rev. Laws 1951
EXEMPT
Affd. # Date 6.15.11
For Details of tax paid see
Affd. #
Doug Lasher
Clark County Treasurer
By
Deputy

RECORDING COVER SHEET – TRUSTEE'S DEED

612812940

GRANTOR:	Christine A. Kosydar, as Successor Trustee
GRANTEE:	RES-WASH One, LLC, a Florida limited liability company
ABBREVIATED LEGAL DESCRIPTION:	Section: 3 Township: 3N Range: 2E Tax Lot #177 & #178
ASSESSOR'S TAX PARCEL NO.:	091103-172 and 091103-173
RECORDING REFERENCE NO(S).:	4087838 and 4722763

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RCN 0-000001172
PAGE 1 of 6

TRUSTEE'S DEED

Christine A. Kosydar, as Successor Trustee (the "Trustee") under the Deed of Trust described below, in consideration of the premises and payment recited below, hereby grants and conveys, without warranty, to RES-WASH One, LLC, a Florida limited liability company ("Purchaser"), that real property situated in the County of Clark, State of Washington, and legally described in Exhibit 1 attached hereto and incorporated herein by this reference.

RECITALS:

1. This conveyance is made pursuant to the powers, including the power of sale, conferred upon said Trustee by that certain Deed of Trust between Mark Hinton and Joni J. Hinton, husband and wife, as grantor, Trustee Services Inc., as original trustee, and RES-WASH One, LLC, a Florida limited liability company, successor-in-interest to Bank of Clark County, as beneficiary, dated November 22, 2005, and recorded on November 23, 2005, under Auditor's File No. 4087838 (the "Deed of Trust"), records of Clark County, Washington. The beneficial interest in the Deed of Trust was assigned to RES-WASH One, LLC, a Florida limited liability company, by successive assignments (the "Assignments"), the most recent of which was recorded on December 3, 2010 under Auditor's File No. 4722763, in the records of Clark County, Washington, and re-recorded on December 16, 2010, under Auditor's File No. 4726645 in the records of Clark County, Washington. (The Deed of Trust and the Assignments shall be collectively referred to as the "Deed of Trust.")

2. The Deed of Trust was executed to secure, together with other undertakings, the payment of a promissory note in the sum of $1,760,000.00 with interest thereon, according to the terms thereof, and to secure any other sums of money which might become due and payable under the terms of the Deed of Trust.

3. The Deed of Trust provides that the real property conveyed therein is not used principally for agricultural or farming purposes.

4. Default having occurred in the obligations secured and/or covenants of the Grantor, as set forth in the Notice of Trustee's Sale described below, which by the terms of the Deed of Trust make operative the power to sell, the thirty-day advance Notice of Default was transmitted to the Grantor, or its successor-in-interest, and a copy of said Notice was posted or served in accordance with law.

5. RES-WASH One, LLC, a Florida limited liability company, being then the holder of the indebtedness secured by the Deed of Trust, requested that the Trustee sell the described property in accordance with law and the terms of said Deed of Trust.

6. The defaults specified in the Notice of Default not having been cured, the Trustee, in compliance with the terms of the Deed of Trust, executed and on February 24, 2011, recorded under Auditor's File No. 4746037, records of Clark County, Washington, a Notice of Trustee's Sale of said property.

7. The Trustee, in her Notice of Trustee's Sale, fixed the place of sale as the Public Service Center Gazebo, across from the Clark County Courthouse, 1300 Franklin Street, Vancouver, Washington, at 10:00 a.m., on June 3, 2011, by public proclamation, and in accordance with law caused copies of the statutory Notice of Trustee's Sale thereto to be transmitted by mail to all persons entitled thereto and either posted or served prior to 90 days before the sale; further, the Trustee caused a copy of said Notice of Trustee's Sale to be published twice preceding the time of sale, first between the 28th and 35th day before the set sale date and again between the 7th and 14th day before the Trustee's Sale, in a legal newspaper in each county in which the property or any part thereof is situated; and further transmitted or served upon Hinton Development Corporation and Mark and Joni Hinton, husband and wife, a Notice of Foreclosure in substantially the statutory form, to which copies of the Note and Deed of Trust were attached.

8. On June 3, 2011, the Successor Trustee duly effected a postponement of the scheduled trustee's sale to June 10, 2011, by (a) providing a written Postponement Notification as statutorily required to the Grantor and to the guarantors, and to any and all other person entitled thereto, and (b) making a public proclamation of the postponement on June 3, 2011, at the time and place originally scheduled for the trustee's sale.

9. During foreclosure, no action was pending on an obligation secured by said Deed of Trust.

10. All legal requirements and all provisions of the Deed of Trust have been complied with, as to acts to be performed and notices to be given, as provided in Chapter 61.24 RCW.

11. The defaults specified in the Notice of Trustee's Sale not having been cured eleven (11) days prior to the date of Trustee's Sale and said obligation secured by said Deed of Trust remaining unpaid on June 10, 2011, the date of sale, which was not less than 190 days from the date of default in the obligation secured, the Trustee then and there sold at public auction to Purchaser, the highest bidder therefore, the property herein above described, for the sum of $925,000.00, in partial satisfaction of the obligation then secured by the Deed of Trust.

DATED this 13 day of June, 2011.

Christine A. Kosydar, Successor Trustee

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STATE OF OREGON)
) ss.
County of Multnomah)

On this day personally appeared before me Christine A. Kosydar, to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that she signed the same as her free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 8th day of June, 2011.

Christie Elaine Jordan

OFFICIAL SEAL
CHRISTIE ELAINE JORDAN
NOTARY PUBLIC-OREGON
COMMISSION NO. 450747
MY COMMISSION EXPIRES SEPTEMBER 26, 2014

Name (Printed): Christie Elaine Jordan
NOTARY PUBLIC in and for the State of Oregon,
residing at: Molalla, OR
My appointment expires: 09/26/14

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LEGAL DESCRIPTION
(continued)

ALSO EXCEPT that portion conveyed to the State of Washington under Auditor's File No. 4028442.

RCM000844

REMOVED
FOR
PRIVILEGE

APPENDIX E

NOTICE OF DEFAULT
(CP-215-220)

AFFIDAVIT OF MAILING
(CP-212-214)

NOTICE OF DEFAULT
Pursuant to the Revised Code of Washington, Chapter 61.24

TO: HINTON DEVELOPMENT CORPORATION
14010 A NE 3rd Ct., Suite 106
Vancouver, WA 98685

HINTON DEVELOPMENT CORPORATION
c/o Mark Hinton, Reg. Agt.
14010-A NE 3rd Ct., Suite 106
Vancouver, WA 98685

MARK HINTON
12405 NW 43rd Court
Vancouver, WA 98685

JONI J. HINTON
12405 NW 43rd Court
Vancouver, WA 98685

HINTON INDUSTRIAL CONTRACTORS, INC.
14010 A NE 3rd Ct., Suite 106
Vancouver, WA 98685

HINTON INDUSTRIAL CONTRACTORS, INC.
c/o Dennis E. Rugg, Reg. Agt.
14010 NE 3rd Ct., Suite A-106
Vancouver, WA 98685

1. DEFAULT:

You are hereby notified that RES-WASH One, LLC, a Florida limited liability company, successor-in-interest to Bank of Clark County, the present beneficiary, has declared you in default on the obligation secured by a Deed of Trust between Mark Hinton and Joni J. Hinton, husband and wife, as grantor, and Trustee Services Inc., as trustee, dated November 22, 2005, and recorded on November 23, 2005, under Auditor's File No. 4087838, in the records of Clark County, Washington. The beneficial interest in said Deed of Trust was assigned to RES-WASH One, LLC, a Florida limited liability company, by various assignments, the most recent of which was recorded on December 3, 2010 under Auditor's File No. 4722763, and re-recorded on December 16, 2010 under Auditor's File No. 4726645, records of Clark County, Washington. The Deed of Trust and the assignments thereto shall be collectively referred to herein as the "Deed of Trust." The Deed of Trust encumbers the real property located in Clark County, Washington, and is legally described in Exhibit A attached hereto and incorporated herein by this reference.

2. STATEMENT OF DEFAULT AND ITEMIZED ACCOUNT OF AMOUNT IN ARREARS:

The beneficiary alleges that you are in default as follows:

a. Your failure to pay the following amounts, which are in arrears, pursuant to the Promissory Note secured by the Deed of Trust. The amount due and owing is as follows:

Principal balance:	$1,760,000.00
Accrued and unpaid interest at the Note rate through 3/01/09:	132,391.11
Accrued and unpaid interest at the Note default rate through 01/06/10:	264,391.03
Late charges:	195.00
Foreclosure report:	2,776.41
Advances made:	13,047.00
Appraisal fee:	2,650.00
Attorneys' fees and costs:	1,500.00
TOTAL IN DEFAULT:	**$2,176,950.55**

b. Your failure to pay real property taxes for the tax years 2008, 2009 and 2010, plus interest and penalties.

Pursuant to the terms of the Loan, a default on any other loan with Lender is also a default on this Loan, and the above Deed of Trust property also secures all obligations of Borrower and/or Guarantor owed to Lender. Thus, any breach of any other loan obligation Borrower and/or Guarantor owe to Lender must also be cured in order to avoid foreclosure of the Deed of Trust.

Note: The beneficiary's failure to include any existing default in the foregoing list is not intended to constitute a waiver of such default. The beneficiary reserves all rights regarding each and every default, whether known or unknown to beneficiary at this time.

3. OTHER CHARGES, COSTS AND FEES:

In addition to the amounts in arrears specified above, you are or may be obligated to pay the following charges, costs and fees to pay off the Deed of Trust if payoff is made before recording of the Notice of Trustee's Sale.

a.	Cost of title report for foreclosure (estimated):	$ Included Above
b.	Service of Notice of Default (estimated):	65.00
c.	Copying (estimated):	20.00
d.	Postage (estimated):	20.00
e.	Telephone (estimated):	0.00
f.	Trustee's fee (estimated):	1,500.00
g.	Attorneys' fee (estimated):	2,500.00
	TOTAL	**$4,105.00**

4. **IMPORTANT. PLEASE READ.**

In order to pay off your Note and Deed of Trust before the recording of the Notice of Trustee's Sale you must pay the sum shown in paragraph 2, plus any and all payments that become due hereafter and all interest that accrues hereafter until paid, and all additional charges, fees, and costs that are secured by the Deed of Trust and incurred or identified hereafter, plus amounts actually incurred that are currently estimated in paragraph 3 above. If the amounts shown in paragraph 3 are incurred as estimated, the reinstatement amount will be **$2,181,055.55,** PLUS the amount of accrued interest, costs and other charges, which fall due after the date of this Notice of Default and on or before the payoff date. In the event you tender payoff monies before the recording of the Notice of Trustee's Sale, you must be sure to add to the amounts shown above accrued interest, costs and other charges which fall due after the date of this Notice of Default.

You will need to call or email the undersigned's paralegal, Christine M. Wallentine, at (503) 552-9790 or cmwallentine@stoel.com, to obtain the precise dollar amount of any payoff.

Payment of the amounts in arrears to the beneficiary must be in the full amount by cash or certified funds. Personal checks will not be accepted.

Payoff monies may be tendered to:

STOEL RIVES LLP
Attention: Christine A. Kosydar
900 SW 5th Avenue, Suite 2600
Portland, OR 97204

5. CONSEQUENCES OF DEFAULT:

a. Failure to cure said defaults within thirty (30) days of the mailing of this notice, or if personally served, within thirty (30) days of the date of personal service thereof, may lead to recordation, transmittal and publication of a Notice of Trustee's Sale, and the property described in Paragraph 1 above may be sold at public auction at a date not less than 120 days hereafter.

b. The effect of the recordation, transmittal and publication of a Notice of Trustee's Sale will be to (i) increase the costs and fees, and (ii) publicize the default and advertise the property described herein for sale.

c. The effect of a Trustee's Sale of the above-described property by the Trustee will be to deprive you, or your successor in interest, and all of those who hold by, through or under you, of all of your or their interest in the property described in Paragraph 1 above and satisfy the obligation secured by the above Deed of Trust.

6. RECOURSE TO COURTS:

You and your successor(s) have the right to bring a court action to assert the non-existence of a default or any other defense to sale.

You or your successor(s) in interest have recourse to the courts pursuant to RCW 61.24.130 to contest the alleged defaults on any proper ground.

7. NOTICE TO GUARANTORS:

a. The guarantors may be liable for a deficiency judgment to the extent the sale price obtained at the trustee's sale is less than the debt secured by the Deed of Trust;

b. The guarantors have the same rights to reinstate the debt, cure the defaults, or repay the debt as is given to the grantor in order to avoid the trustee's sale;

c. The guarantors will have no right to redeem the property after the trustee's sale;

d. Subject to such longer periods as are provided in the Washington Deed of Trust Act, chapter 61.24 RCW, any action brought to enforce a guaranty must be commenced within one year after the trustee's sale, or the last trustee's sale under any deed of trust granted to secure the same debt; and

e. In any action for a deficiency, the guarantors will have the right to establish the fair value of the property as of the date of the trustee's sale, less prior liens and encumbrances, and to limit the guarantors' liability for a deficiency to the difference between the debt and the greater of such fair value or the sale price paid at the trustee's sale, plus interest and costs.

DATED: January 19, 2011.

BENEFICIARY:

RES-WASH ONE, LLC, a Florida limited liability company

By _____

Christine A. Kosydar, Attorney for Beneficiary
Stoel Rives LLP
900 SW 5th Avenue, Suite 2600
Portland, OR 97204
(503) 294-9533
Email: cakosydar@stoel.com

EXHIBIT "A"
Legal Descripition

For APN/Parcel ID(s): 091103-172 and 091103-173

A portion of the Northwest quarter of the Southeast quarter of Section 3, Township 3 North, Range 2 East, Willamette Meridian, City of Battle Ground, Clark County, Washington, described as follows:

BEGINNING at a concrete monument with brass cap marking the Quarter corner between Sections 2 and 3; thence North 89°27'07" West, along the North line of the Southeast quarter of Section 3, for a distance of 1510.18 feet to a ½ inch iron rod as shown in Book 41 of Surveys at page 160, Clark County Auditor's Records, said point being the Northwest corner of the CITY OF BATTLE GROUND TRACT as described under Clark County Auditor's File No. 8811210044; thence South 00°48'26" West, along the West line of the CITY OF BATTLE GROUND TRACT, 829.40 feet to a ½ inch iron rod (Survey 41-160); thence continuing along the West line of the CITY OF BATTLE GROUND TRACT, South 00°44'55" West, 60.55 feet to a 1/2 inch iron rod (Survey 41-160) marking the Northeast corner of the BATTLE GROUND ASSOCIATES TRACT as described under Clark County Auditor's File No. 9106170021; thence North 89°22'24" West along the North line of the BATTLE GROUND ASSOCIATES TRACT, 350.00 feet to the TRUE POINT OF BEGINNING; thence continuing North 89°22'24" West 258.24 feet to a 1/2 inch iron rod (Survey 41-160) marking the Northwest corner of the BATTLE GROUND ASSOCIATES TRACT; thence South 00°34'33" West, 430.16 feet to a 1/2 inch iron rod (Survey 41-160) marking the Southwest corner of the BATTLE GROUND ASSOCIATES TRACT, said point also being at the Northwest corner of the BATTLE GROUND SCHOOL DISTRICT #119 TRACT as described under Clark County Auditor's File No. 8001080068; thence North 89°22'33" West, along the North line of the GARDNER TRACT as described under Clark County Auditor's File No. 9502140193, for a distance of 372.78 feet to a 1/2 inch iron rod (Survey 41-160) on the East right-of-way line of State Route 503 as shown on the Washington State Department of Transportation right-of-way and alignment plan dated June 4, 1994; thence North 00°54'57" East, along said East right-of-way line, 739.38 feet to the Southwest corner of the CITY OF BATTLE GROUND TRACT as described under Clark County Auditor's File No. 3126557; thence South 89°27'07" East, along the South line of the CITY OF BATTLE GROUND TRACT, 627.82 feet; thence South 00°47'46" West, 310.06 feet to the TRUE POINT OF BEGINNING.

AND a portion of the Northwest quarter of the Southeast quarter of Section 3, Township 3 North, Range 2 East, Willamette Meridian, City of Battle Ground, Clark County, Washington, described as follows:

BEGINNING at a concrete monument with brass cap marking the Quarter corner between Sections 2 and 3; thence North 89°27'07" West, along the North line of the Southeast quarter of Section 3, for a distance of 1510.18 feet to a 1/2 inch iron rod as shown in Book 41 of Surveys at page 160, Clark County Auditor's Records, said point being the Northwest corner of the CITY OF BATTLE GROUND TRACT as described under Clark County Auditor's File No. 8811210044; thence South 00°48'26" West, along the West line of the CITY OF BATTLE GROUND TRACT, 579.40 feet to the TRUE POINT OF BEGINNING; ~~thence continuing South 00°48'26" West, 250.00 feet to a 1/2 inch iron rod (Survey 41-160); thence~~ continuing along the West line of the CITY OF BATTLE GROUND TRACT South 00°44'55" West, 60.55 feet to a 1/2 inch iron rod (Survey 41-160) marking the Northeast corner of the BATTLE GROUND ASSOCIATES TRACT as described under Clark County Auditor's File No. 9106170021; thence North 89°22'24" West, 350.00 feet; thence North 00°47'46" East, 310.06 feet to the South line of the CITY OF BATTLE GROUND TRACT as described under Clark County Auditor's File No. 3126557; thence South 89°27'07" East, parallel with the North line of the Southeast quarter of Section 3, for a distance of 350.00 feet to the TRUE POINT OF BEGINNING.

EXCEPT those portions conveyed by Instruments recorded March 31, 2005 and April 26, 2005, under Auditor's File No(s). 3966681 and 3978468, respectively, records of Clark County, Washington.

ALSO EXCEPT that portion conveyed to the State of Washington under Auditor's File No. 4028442.

AFFIDAVIT OF MAILING NOTICE OF DEFAULT

STATE OF OREGON)
) ss.
County of Multnomah)

I, LINDA C. HOPKINS, being first duly sworn upon oath, depose, say and certify that:

At all times hereinafter mentioned, I was and am now a resident of the State of Oregon, a competent person over the age of eighteen years and not the beneficiary or its successor in interest named in the attached Notice of Default ("Notice"), given under the terms of that certain deed of trust made, executed and delivered by Mark Hinton and Joni J. Hinton, husband and wife, as grantor, and Trustee Services Inc., as trustee, and RES-WA One, LLC, a Florida limited liability company, successor-in-interest to Bank of Clark County, as beneficiary, dated November 22, 2005 and recorded on November 23, 2005, under Auditor's File No. 4087838, in the records of Clark County, Washington (the "Deed of Trust"). The beneficial interest in the Deed of Trust was assigned to RES-WA One, LLC, a Florida limited liability company, by various assignments (the "Assignments"), the most recent of which was recorded on December 3, 2010, under Auditor's File No. 4722763, and re-recorded on December 16, 2010, under Auditor's File No. 4726645, records of Clark County, Washington. (The Deed of Trust and the Assignments shall be collectively referred to as the "Deed of Trust.") The Deed of Trust encumbers the real property (the "Property") located in Clark County, Washington, and legally described in Exhibit A attached hereto and incorporated herein by this reference.

I gave notice of the default under the terms of the deed of trust securing the Property described in the attached Notice by mailing a true copy thereof by both first class and certified mail, with return receipt requested, to the following person, at his/her respective last known address, as follows:

HINTON DEVELOPMENT CORPORATION
14010 A NE 3rd Ct., Suite 106
Vancouver, WA 98685

HINTON DEVELOPMENT CORPORATION
c/o Mark Hinton, Reg. Agt.
14010-A NE 3rd Ct., Suite 106
Vancouver, WA 98685

MARK HINTON
12405 NW 43rd Court
Vancouver, WA 98685

JONI J. HINTON
12405 NW 43rd Court
Vancouver, WA 98685

HINTON INDUSTRIAL CONTRACTORS, INC.
14010 A NE 3rd Ct., Suite 106
Vancouver, WA 98685

HINTON INDUSTRIAL CONTRACTORS, INC.
c/o Dennis E. Rugg, Reg. Agt.
14010 NE 3rd Ct., Suite A-106
Vancouver, WA 98685

Each Notice so mailed was a true copy of the Notice; and the Notice was contained in a sealed envelope with postage thereon fully prepaid, and was deposited by me in the United States mail at Portland, Oregon on January 19, 2011.

Linda C. Hopkins
LINDA C. HOPKINS

SUBSCRIBED AND SWORN to before me this 20th day of January 2011 by LINDA C. HOPKINS.

OFFICIAL SEAL
CHRISTIE ELAINE JORDAN
NOTARY PUBLIC-OREGON
COMMISSION NO. 450747
MY COMMISSION EXPIRES SEPTEMBER 26, 2014

Christie Elaine Jordan
Printed name: Christie Elaine Jordan
NOTARY PUBLIC for the state of Oregon
Residing at: Molalla OR
My Commission Expires: 9/26/2014

70515503.1 0042617-00033

Exhibit A

EXHIBIT "A"
Legal Descripition

For APN/Parcel ID(s): 091103-172 and 091103-173

A portion of the Northwest quarter of the Southeast quarter of Section 3, Township 3 North, Range 2 East, Willamette Meridian, City of Battle Ground, Clark County, Washington, described as follows:

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EXCEPT those portions conveyed by Instruments recorded March 31, 2005 and April 26, 2005, under Auditor's File No(s). 3966681 and 3978468, respectively, records of Clark County, Washington.

ALSO EXCEPT that portion conveyed to the State of Washington under Auditor's File No. 4028442.

APPENDIX F

NOTICE OF TRUSTEE'S SALE
(CP-226-32)

AFTER RECORDING, RETURN TO:

Christine A. Kosydar
Stoel Rives LLP
900 SW 5th Avenue, Suite 2600
Portland, OR 97204

NOTICE OF TRUSTEE'S SALE

I.

NOTICE IS HEREBY GIVEN that the undersigned Trustee will on the 3rd day of June 2011, at the hour of 10:00 a.m., at the Public Service Center Gazebo, across from the Clark County Courthouse, 1300 Franklin Street, Vancouver, Washington, sell at public auction to the highest and best bidder, payable at the time of sale, the real property legally described in Exhibit A attached hereto and incorporated herein by this reference, which is subject to that certain Deed of Trust dated November 22, 2005, and recorded on November 23, 2005, under Auditor's File No. 4087838 records of Clark County, Washington (the "Deed of Trust") from Mark Hinton and Joni J. Hinton, husband and wife, as Grantor, to Trustee Services Inc., as Trustee, to secure an obligation in favor of RES-WASH One, LLC, a Florida limited liability company, successor-in-interest to Bank of Clark County, as Beneficiary. The beneficial interest in the Deed of Trust was assigned to RES-WASH One, LLC, a Florida limited liability company, by various assignments (the "Assignments"), the most recent of which was recorded on December 3, 2010, under Auditor's File No. 4722763 in the records of Clark County, Washington. (The Deed of Trust and the Assignments shall be collectively referred to as the "Deed of Trust.")

II.

No action commenced by the Beneficiary of the Deed of Trust is now pending to seek satisfaction of the obligation in any court by reason of the Borrower's or Grantor's defaults on the obligation secured by the Deed of Trust.

III.

The defaults for which this foreclosure is made are as follows:

a. Your failure to pay the following amounts, which are in arrears, pursuant to the Promissory Note secured by the Deed of Trust:

Principal balance:	$1,760,000.00
Accrued and unpaid interest at the Note rate through 3/01/09:	5,475.56
Accrued and unpaid interest at the Note default rate through 2/22/11:	283,164.36
Late charges:	195.00
Foreclosure report:	2,776.41
Advances made:	13,047.00
Appraisal fee:	2,650.00
Attorneys' fees and costs:	1,500.00
TOTAL IN DEFAULT:	**$2,068,808.33**

b. Your failure to pay real property taxes for the tax years 2008, 2009 and 2010, plus interest and penalties.

Pursuant to the terms of the Loan, a default on any other loan with Lender is also a default on this Loan, and the above Deed of Trust property also secures all obligations of Borrower and/or Guarantor owed to Lender. Thus, any breach of any other loan obligation Borrower and/or Guarantor owe to Lender must also be cured in order to avoid foreclosure of the Deed of Trust.

Note: The beneficiary's failure to include any existing default in the foregoing list is not intended to constitute a waiver of such default. The beneficiary reserves all rights regarding each and every default, whether known or unknown to beneficiary at this time.

IV.

The principal sum owing on the obligation secured by the Deed of Trust is **$1,760,000.00,** together with interest as provided in the Note or other instrument secured, and such other costs and fees as are due under the Note or other instrument secured, and as are provided by statute, plus any and all additional taxes, assessments, and other charges against the property that will or may become due following the date of this notice.

V.

The above-described real property will be sold to satisfy the expense of sale and the obligation secured by the Deed of Trust as provided by the statute. The sale will be made without warranty, express or implied, regarding title, possession, or encumbrances on the 3rd day of

June 2011. The sale may be terminated any time after the date hereof and before the sale by the Borrower, Grantor, any Guarantors, or the holder of any recorded junior lien or encumbrance, by paying the entire principal and interest secured by the Deed of Trust, plus costs, fees and advances, if any, made pursuant to the terms of the obligations and/or Deed of Trust, and curing all other defaults.

VI.

A written Notice of Default was transmitted by Trustee or Beneficiary to the Borrower and Grantor and Guarantors at the following addresses:

HINTON DEVELOPMENT CORPORATION
14010 A NE 3rd Ct., Suite 106
Vancouver, WA 98685

HINTON DEVELOPMENT CORPORATION
c/o Mark Hinton, Reg. Agt.
14010-A NE 3rd Ct., Suite 106
Vancouver, WA 98685

MARK HINTON
12405 NW 43rd Court
Vancouver, WA 98685

JONI J. HINTON
12405 NW 43rd Court
Vancouver, WA 98685

HINTON INDUSTRIAL CONTRACTORS, INC.
14010 A NE 3rd Ct., Suite 106
Vancouver, WA 98685

HINTON INDUSTRIAL CONTRACTORS, INC.
c/o Dennis E. Rugg, Reg. Agt.
14010 NE 3rd Ct., Suite A-106
Vancouver, WA 98685

by both first class and certified mail on the **19th day of January 2011**, proof of which is in the possession of the Trustee; and on the **20th day of January 2011**, written Notice of Default was posted in a conspicuous place on the real property described in Paragraph I above, and the Trustee has in his possession proof of such posting.

VII.

The Trustee whose name and address is set forth below will provide in writing to anyone requesting it, a statement of all costs and fees due at any time prior to the sale.

VIII.

The effect of the sale will be to deprive the Grantor and all those who hold by, through or under the Grantor of all their interest, in the above-described property.

IX.

Anyone having any objection to the sale on any grounds whatsoever will be afforded an opportunity to be heard as to those objections if they bring a lawsuit to restrain the sale pursuant to RCW 61.24.130. Failure to bring such a lawsuit may result in a waiver of any proper grounds for invalidating the Trustee's sale.

X.

NOTICE TO OCCUPANTS OR TENANTS

The foreclosure process has begun on this property, which may affect your right to continue to live in this property. Ninety days or more after the date of this notice, this property may be sold at foreclosure. If you are renting this property, the new property owner may either give you a new rental agreement or provide you with a sixty-day notice to vacate the property. You may wish to contact a lawyer or your local legal aid or housing counseling agency to discuss any rights that you may have.

The purchaser at the trustee's sale is entitled to possession of the property on the 20th day following the sale, as against the grantor under the deed of trust (the owner) and anyone having an interest junior to the deed of trust, including occupants who are not tenants. After the 20th day following the sale the purchaser has the right to evict occupants who are not tenants by summary proceedings under chapter 59.12 RCW.

XI.

NOTICE TO GUARANTORS

a. The guarantors may be liable for a deficiency judgment to the extent the sale price obtained at the trustee's sale is less than the debts secured by the Deeds of Trust;

b. The guarantors have the same rights to reinstate the debts, cure the defaults, or repay the debts as is given to the grantor in order to avoid the trustee's sale;

c. The guarantors will have no right to redeem the property after the trustee's sale;

d. Subject to such longer periods as are provided in the Washington Deed of Trust Act, chapter 61.24 RCW, any action brought to enforce a guaranty must be commenced within one year after the trustee's sale, or the last trustee's sale under any deed of trust granted to secure the same debt; and

e. In any action for a deficiency, the guarantors will have the right to establish the fair value of the property as of the date of the trustee's sale, less prior liens and encumbrances, and to limit the guarantor's liability for a deficiency to the difference between the debt and the greater of such fair value or the sale price paid at the trustee's sale, plus interest and costs.

NOTICE OF APPLICATION ON SENATE BILL 5810

Senate Bill 5810 became effective on July 26, 2009. Among other things, the Bill requires additional notices to be given to grantors of deeds of trust made from January 1, 2003 to December 31, 2007 that are recorded against owner-occupied residential real property as defined by Senate Bill 5810. Deed of Trust that are recorded prior to or after the above referenced time period are exempt from these additional notices. In addition, commercial loans as defined are exempt.

The Beneficiary categorizes the underlying loan as a commercial loan as defined by RCW 61.24.005(7). As such, the notice requirements of Senate Bill 5810 do not apply to this procedure. If you disagree with the categorization, contact the undersigned at the address below, in writing, as soon as possible.

DATED: February 23, 2011.

Christine A. Kosydar, Successor Trustee
Stoel Rives LLP
900 SW 5th Avenue, Suite 2600
Portland, OR 97204
(503) 294-9533
Email: cakosydar@stoel.com

STATE OF OREGON)
) ss.
County of Multnomah)

I certify that I know or have satisfactory evidence that CHRISTINE A. KOSYDAR is the person who appeared before me, and said person acknowledged that he signed this instrument and acknowledged it to be his free and voluntary act for the uses and purposes therein mentioned in this instrument.

DATED: February 23, 2011.

OFFICIAL SEAL
LINDA C HOPKINS
NOTARY PUBLIC-OREGON
COMMISSION NO. 428421
MY COMMISSION EXPIRES JUNE 30, 2012

Printed name: Linda C. Hopkins
NOTARY PUBLIC in and for the State of Oregon, residing at: Clackamas, OR
My commission expires: 6/30/12

Exhibit B
0-000000230

LEGAL DESCRIPTION

Order No.: 612812940

For APN/Parcel ID(s): 091103-172 and 091103-173

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EXCEPT those portions conveyed by Instruments recorded March 31, 2005 and April 26, 2005, under Auditor's File No(s). 3966681 and 3978468, respectively, records of Clark County, Washington.

LEGAL DESCRIPTION
(continued)

ALSO EXCEPT that portion conveyed to the State of Washington under Auditor's File No. 4028442.

APPENDIX G

NOTICE OF FORECLOSURE
(CP-233-280)

NOTICE OF FORECLOSURE
Pursuant to the Revised Code of Washington
Chapter 61.24 RCW

TO: HINTON DEVELOPMENT CORPORATION
14010 A NE 3rd Ct., Suite 106
Vancouver, WA 98685

HINTON DEVELOPMENT CORPORATION
c/o Mark Hinton, Reg. Agt.
14010-A NE 3rd Ct., Suite 106
Vancouver, WA 98685

MARK HINTON
12405 NW 43rd Court
Vancouver, WA 98685

JONI J. HINTON
12405 NW 43rd Court
Vancouver, WA 98685

HINTON INDUSTRIAL CONTRACTORS, INC.
14010 A NE 3rd Ct., Suite 106
Vancouver, WA 98685

HINTON INDUSTRIAL CONTRACTORS, INC.
c/o Dennis E. Rugg, Reg. Agt.
14010 NE 3rd Ct., Suite A-106
Vancouver, WA 98685

The attached Notice of Trustee's Sale is a consequence of defaults in the obligation to RES-WASH One, LLC a Florida limited liability company, successor-in-interest to Bank of Clark County, the Beneficiary of your Deed of Trust and owner of the obligation secured thereby. Unless the defaults are cured, your property will be sold at public auction on **June 3, 2011**.

To cure the defaults, you must fully pay the balance due, including principal, interest, cure any other defaults and pay accrued late charges and other costs, advances and attorney's fees as set forth below by the time of the sale on the **3rd day of June 2011**. To date, these arrears and costs are as follows:

	Currently due as of February 22, 2011	Estimated amount that will be due on May 23, 2011 (11 days before the date set for sale)
Principal balance:	$ 1,760,000.00	$ 1,760,000.00
Accrued and unpaid interest at the Note rate through and including 3/1/09:	$ 5,475.56	$ 5,475.56
Accrued and unpaid interest at the Note default rate through and including 2/22/11:	$ 283,164.36	$ 313,671.01
Late charges:	$ 195.00	$ 195.00
Advances made:	$ 13,047.00	$ 13,047.00
Appraisal fee:	$ 2,650.00	$ 2,650.00
Attorneys' fees and costs through 2/15/11:	$ 1,500.00	$ 2,000.00
Trustee's fees (estimated):	$ N/A	$ 2,500.00

Estimated Trustee's Itemized Expenses

	Currently due as of February 22, 2011	Estimated amount that will be due on May 23, 2011 (11 days before the date set for sale)
Title report:	$ 2,776.41	$ 2,776.41
Recording fees:	$ 60.00	$ 120.00
Service/Posting of Notices:	$Included Above	$ 190.00
Postage/Copying costs:	$ 20.00	$ 40.00
Publication:	$ 0.00	$ 1,200.00
TOTALS (estimated):	**$ 2,068,888.33**	**$ 2,103,864.98**

As to defaults which do not involve payment of money to the Beneficiary of your Deed of Trust, you must cure each such default. Listed below are the defaults which do not involve payment of money to the Beneficiary of your Deed of Trust. Opposite each such listed default is a brief description of the action necessary to cure the default and a description of the documentation necessary to show that the default has been cured.

Default	Description of action required to cure and documentation necessary to show cure
Failure to pay real property taxes for the tax year 2008, 2009 and 2010, plus interest and penalties.	Payment of all delinquent taxes and presentation of a receipt from the assessor's office evidencing payment or other confirmation by the assessor that all delinquent real property taxes have been paid

Pursuant to the terms of the Loan, a default on any other loan with Lender is also a default on this Loan, and the above Deed of Trust property also secures all obligations of Borrower and/or Guarantor owed to Lender. Thus, any breach of any other loan obligation Borrower and/or Guarantor owe to Lender must also be cured in order to avoid foreclosure of the Deed of Trust.

NOTE: Beneficiary reserves the right to advance funds to pay some or all of the real property taxes, for the purpose of protecting its collateral. If Beneficiary elects to do so, the amounts it pays will be added to the obligations secured by the Deed of Trust and will bear interest at the default rate, and you will need to pay the additional sums to avoid foreclosure.

You may pay off your Deed of Trust and the obligation secured thereby at any time up to and including the 23rd day of May 2011 (11 days before the sale date), by paying the amounts actually incurred that are either identified or estimated above, plus additional fees, costs and other charges arising after the dates identified above, and by curing any other defaults described above. Of course, as time passes other payments may become due, and any further payments coming due and any additional late charges must be added to your payment. In addition, because some of the charges can only be estimated at this time, and because the amount necessary to reinstate may include presently unknown expenditures required to preserve the property or to comply with state or local law, it will be necessary for you to contact the Trustee before the time you tender payoff so that you may be advised of the exact amount you will be required to pay. Tender of payment or performance must be made to: Christine A. Kosydar, Successor Trustee, Stoel Rives LLP, 900 SW Fifth Avenue, Suite 2600, Portland, Oregon 97204 (telephone: 503 294-9533). The Trustee will respond to any written request for current payoff within ten (10) days of receipt of your written request. Any partial payments you may make will be

applied to the total due; acceptance of any one or more partial payments will not constitute any form of accord and satisfaction or waiver or estoppel as to any notice issued by Beneficiary, any default, or Beneficiary's right to foreclose or to take any other actions to recover the entire balance of the secured obligation remaining after application of any such partial payments.

You may contest these defaults by initiating court action in the Superior Court of the county in which the sale is to be held. In such action, you may also raise any legitimate defenses you have to these defaults. Copies of your Deed of Trust and documents evidencing the obligations secured thereby are enclosed. You may wish to consult a lawyer. Legal action on your part may prevent or restrain the sale, but only if you persuade the court of the merits of your defense.

The court may grant a restraining order or injunction to restrain a Trustee's sale pursuant to RCW 61.24.130 upon five (5) days notice to the trustee of the time when, place where, and the judge before whom the application for the restraining order or injunction is to be made. This notice shall include copies of all pleadings and related documents to be given to the judge. Notice and other process may be served on the trustee at the address noted above: Christine A. Kosydar, Stoel Rives LLP, 900 SW Fifth Avenue, Suite 2600, Portland, Oregon 97204; telephone: (503) 294-9533.

If you do not fully satisfy the secured obligation and your Deed of Trust in the manner set forth above, or if you do not succeed in restraining the sale by court action, your property will be sold. The effect of such sale will be to deprive you and all those who hold by, through or under you of all interest in the property.

NOTICE TO GUARANTORS

The guarantors may be liable for a deficiency judgment to the extent the sale price obtained at the trustee's sale is less than the debts secured by the Deeds of Trust;

The guarantors have the same rights to reinstate the debts, cure the defaults, or repay the debts as is given to the grantor in order to avoid the trustee's sale;

The guarantors will have no right to redeem the property after the trustee's sale;

Subject to such longer periods as are provided in the Washington Deed of Trust Act, chapter 61.24 RCW, any action brought to enforce a guaranty must be commenced within one year after the trustee's sale, or the last trustee's sale under any deed of trust granted to secure the same debt; and

In any action for a deficiency, the guarantors will have the right to establish the fair value of the property as of the date of the trustee's sale, less prior liens and encumbrances, and to limit the guarantors' liability for a deficiency to the difference between the debt and the greater of such fair value or the sale price paid at the trustee's sale, plus interest and costs.

DATED: February 23 2011.

STOEL RIVES LLP

Christine A. Kosydar, Successor Trustee
STOEL RIVES LLP
900 SW Fifth Avenue, Suite 2600
Portland, Oregon 97204
Telephone: (503) 294-9533.

Exhibit B
0-000000237

311542

PROMISSORY NOTE

11-22-05

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
$1,760,000.00	11-22-2005	12-01-2006	311542	18/44	911544932	JMT	

References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item.
Any item above containing "***" has been omitted due to text length limitations.

Borrower: Hinton Development Corporation
14010 A NE 3rd Cl Ste 106
Vancouver, WA 98685

Lender: Bank of Clark County
1400 Washington St, Suite 200
PO Box 61725
Vancouver, WA 98666-1725

Principal Amount: $1,760,000.00 **Initial Rate: 7.750%** **Date of Note: November 22, 2005**

PROMISE TO PAY. Hinton Development Corporation ("Borrower") promises to pay to Bank of Clark County ("Lender"), or order, in lawful money of the United States of America, the principal amount of One Million Seven Hundred Sixty Thousand & 00/100 Dollars ($1,760,000.00), together with interest on the unpaid principal balance from November 22, 2005, until paid in full.

PAYMENT. Borrower will pay this loan in one principal payment of $1,760,000.00 plus interest on December 1, 2006. This payment due on December 1, 2006, will be for all principal and all accrued interest not yet paid. In addition, Borrower will pay regular monthly payments of all accrued unpaid interest due as of each payment date, beginning January 1, 2006, with all subsequent interest payments to be due on the same day of each month after that. Unless otherwise agreed or required by applicable law, payments will be applied first to any accrued unpaid interest; then to principal; and then to any late charges. The annual interest rate for this Note is computed on a 365/360 basis; that is, by applying the ratio of the annual interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. Borrower will pay Lender at Lender's address shown above or at such other place as Lender may designate in writing.

VARIABLE INTEREST RATE. The interest rate on this Note is subject to change from time to time based on changes in an independent index which is the Wall Street Journal Prime Rate (the "Index"). The index is not necessarily the lowest rate charged by Lender on its loans. If the index becomes unavailable during the term of this loan, Lender may designate a substitute index after notice to Borrower. Lender will tell Borrower the current index rate upon Borrower's request. The interest rate change will not occur more often than each day. Borrower understands that Lender may make loans based on other rates as well. The index currently is 7.000% per annum. The interest rate to be applied to the unpaid principal balance of this Note will be at a rate of 0.750 percentage points over the index, rounded up to the nearest 0.125 percent, resulting in an initial rate of 7.750% per annum. NOTICE: Under no circumstances will the interest rate on this Note be more than the maximum rate allowed by applicable law.

PREPAYMENT; MINIMUM INTEREST CHARGE. Borrower agrees that all loan fees and other prepaid finance charges are earned fully as of the date of the loan and will not be subject to refund upon early payment (whether voluntary or as a result of default), except as otherwise required by law. In any event, even upon full prepayment of this Note, Borrower understands that Lender is entitled to a minimum interest charge of $50.00. Other than Borrower's obligation to pay any minimum interest charge, Borrower may pay without penalty all or a portion of the amount owed earlier than it is due. Early payments will not, unless agreed to by Lender in writing, relieve Borrower of Borrower's obligation to continue to make payments under the payment schedule. Rather, early payments will reduce the principal balance due. Borrower agrees not to send Lender payments marked "paid in full", "without recourse", or similar language. If Borrower sends such a payment, Lender may accept it without losing any of Lender's rights under this Note, and Borrower will remain obligated to pay any further amount owed to Lender. All written communications concerning disputed amounts, including any check or other payment instrument that indicates that the payment constitutes "payment in full" of the amount owed or that is tendered with other conditions or limitations or as full satisfaction of a disputed amount must be mailed or delivered to: Bank of Clark County, 1400 Washington St, Suite 200, PO Box 61725, Vancouver, WA 98666-1725.

LATE CHARGE. If a payment is 10 days or more late, Borrower will be charged $15.00.

INTEREST AFTER DEFAULT. Upon default, including failure to pay upon final maturity, Lender, at its option, may, if permitted under applicable law, increase the variable interest rate on this Note to 4.750 percentage points over the index. The interest rate will not exceed the maximum rate permitted by applicable law.

DEFAULT. Each of the following shall constitute an event of default ("Event of Default") under this Note:

Payment Default. Borrower fails to make any payment when due under this Note.

Other Defaults. Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Note or in any of the related documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.

Default in Favor of Third Parties. Borrower or any Grantor defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's property or Borrower's ability to repay this Note or perform Borrower's obligations under this Note or any of the related documents.

Environmental Default. Failure of any party to comply with or perform when due any term, obligation, covenant or condition contained in any environmental agreement executed in connection with any loan.

False Statements. Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Note or the related documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Insolvency. The dissolution or termination of Borrower's existence as a going business, the insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the loan. This includes a garnishment of any of Borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any Guarantor of any of the indebtedness or any Guarantor dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any guaranty of the indebtedness evidenced by this Note. In the event of a death, Lender, at its option, may, but shall not be required to, permit the Guarantor's estate to assume unconditionally the obligations arising under the guaranty in a manner satisfactory to Lender, and, in doing so, cure any Event of Default.

Exhibit B

Change In Ownership. Any change in ownership of twenty-five percent (25%) or more of the common stock of Borrower.

Adverse Change. A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of this Note is impaired.

Insecurity. Lender in good faith believes itself insecure.

Cure Provisions. If any default, other than a default in payment is curable and if Borrower has not been given a notice of a breach of the same provision of this Note within the preceding twelve (12) months, it may be cured if Borrower, after receiving written notice from Lender demanding cure of such default: (1) cures the default within fifteen (15) days; or (2) if the cure requires more than fifteen (15) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

LENDER'S RIGHTS. Upon default, Lender may declare the entire unpaid principal balance on this Note and all accrued unpaid interest immediately due, and then Borrower will pay that amount.

ATTORNEYS' FEES; EXPENSES. Lender may hire or pay someone else to help collect this Note if Borrower does not pay. Borrower will pay Lender that amount. This includes, subject to any limits under applicable law, Lender's attorneys' fees and Lender's legal expenses, whether or not there is a lawsuit, including attorneys' fees, expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), and appeals. If not prohibited by applicable law, Borrower also will pay any court costs, in addition to all other sums provided by law.

GOVERNING LAW. This Note will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Washington without regard to its conflicts of law provisions. This Note has been accepted by Lender in the State of Washington.

CHOICE OF VENUE. If there is a lawsuit, Borrower agrees upon Lender's request to submit to the jurisdiction of the courts of Clark County, State of Washington.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Borrower's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Borrower holds jointly with someone else and all accounts Borrower may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Borrower authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the indebtedness against any and all such accounts.

ARBITRATION. Borrower and Lender agree that all disputes, claims and controversies between them whether individual, joint, or class in nature, arising from this Note or otherwise, including without limitation contract and tort disputes, shall be arbitrated pursuant to the Rules of the American Arbitration Association in effect at the time the claim is filed, upon request of either party. No act to take or dispose of any collateral securing this Note shall constitute a waiver of this arbitration agreement or be prohibited by this arbitration agreement. This includes, without limitation, obtaining injunctive relief or a temporary restraining order; invoking a power of sale under any deed of trust or mortgage; obtaining a writ of attachment or imposition of a receiver; or exercising any rights relating to personal property, including taking or disposing of such property with or without judicial process pursuant to Article 9 of the Uniform Commercial Code. Any disputes, claims, or controversies concerning the lawfulness or reasonableness of any act, or exercise of any right, concerning any collateral securing this Note, cluding any claim to rescind, reform, or otherwise modify any agreement relating to the collateral securing this Note, shall also be arbitrated, ovided however that no arbitrator shall have the right or the power to enjoin or restrain any act of any party. Judgment upon any award rendered by any arbitrator may be entered in any court having jurisdiction. Nothing in this Note shall preclude any party from seeking equitable relief from a court of competent jurisdiction. The statute of limitations, estoppel, waiver, laches, and similar doctrines which would otherwise be applicable in an action brought by a party shall be applicable in any arbitration proceeding, and the commencement of an arbitration proceeding shall be deemed the commencement of an action for these purposes. The Federal Arbitration Act shall apply to the construction, interpretation, and enforcement of this arbitration provision.

ORAL AGREEMENTS. ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, EXTEND CREDIT OR TO FOREBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.

SUCCESSOR INTERESTS. The terms of this Note shall be binding upon Borrower, and upon Borrower's heirs, personal representatives, successors and assigns, and shall inure to the benefit of Lender and its successors and assigns.

NOTIFY US OF INACCURATE INFORMATION WE REPORT TO CONSUMER REPORTING AGENCIES. Please notify us if we report any inaccurate information about your account(s) to a consumer reporting agency. Your written notice describing the specific inaccuracy(ies) should be sent to us at the following address: Bank of Clark County 1400 Washington St, Suite 200 Vancouver, WA 98666-1725.

GENERAL PROVISIONS. Lender may delay or forgo enforcing any of its rights or remedies under this Note without losing them. Borrower and any other person who signs, guarantees or endorses this Note, to the extent allowed by law, waive presentment, demand for payment, and notice of dishonor. Upon any change in the terms of this Note, and unless otherwise expressly stated in writing, no party who signs this Note, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that Lender may renew or extend (repeatedly and for any length of time) this loan or release any party or guarantor or collateral; or impair, fail to realize upon or perfect Lender's security interest in the collateral; and take any other action deemed necessary by Lender without the consent of or notice to anyone. All such parties also agree that Lender may modify this loan without the consent of or notice to anyone other than the party with whom the modification is made. The obligations under this Note are joint and several.

PRIOR TO SIGNING THIS NOTE, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE, INCLUDING THE VARIABLE INTEREST RATE PROVISIONS. BORROWER AGREES TO THE TERMS OF THE NOTE.

BORROWER ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THIS PROMISSORY NOTE.

BORROWER:

HINTON DEVELOPMENT CORPORATION

By: _____
Mark Hinton, President of Hinton Development Corporation

311542

12-22-06

CHANGE IN TERMS AGREEMENT

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
1,760,000.00	11-22-2005	02-01-2007	311542	18 / 44	911544932	JMT	

References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item.
Any item above containing "****" has been omitted due to text length limitations.

Borrower: Hinton Development Corporation
14010 A NE 3rd Ct Ste 106
Vancouver, WA 98685

Lender: Bank of Clark County
1400 Washington St, Suite 200
PO Box 61725
Vancouver, WA 98666-1725

Principal Amount: $1,760,000.00 **Initial Rate:** 9.000% **Date of Agreement:** December 22, 2006

DESCRIPTION OF EXISTING INDEBTEDNESS. This is a Variable Rate Nondisclosable Loan originally dated November 22, 2005 in the original amount of $1,760,000.00, with a maturity date of December 1, 2006.

DESCRIPTION OF CHANGE IN TERMS.

MATURITY DATE EXTENSION:
The maturity date of December 1, 2006 is hereby extended. The new maturity date will be February 1, 2007 at which time all remaining unpaid principal and accrued interest is due and payable.

PAYMENT. Borrower will pay this loan in one principal payment of $1,760,000.00 plus interest on February 1, 2007. This payment due on February 1, 2007, will be for all principal and all accrued interest not yet paid. In addition, Borrower will pay regular monthly payments of all accrued unpaid interest due as of each payment date, beginning January 1, 2007, with all subsequent interest payments to be due on the same day of each month after that.

VARIABLE INTEREST RATE. The interest rate on this loan is subject to change from time to time based on changes in an independent index which is the Wall Street Journal Prime Rate (the "Index"). The Index is not necessarily the lowest rate charged by Lender on its loans. If the Index becomes unavailable during the term of this loan, Lender may designate a substitute index after notifying Borrower. Lender will tell Borrower the current Index rate upon Borrower's request. The interest rate change will not occur more often than each day. Borrower understands that Lender may make loans based on other rates as well. The Index currently is 8.250% per annum. The interest rate to be applied to the unpaid principal balance during this loan will be at a rate of 0.750 percentage points over the Index, rounded up to the nearest 0.125 percent, resulting in an initial rate of 9.000% per annum. NOTICE: Under no circumstances will the interest rate on this loan be more than the maximum rate allowed by applicable law.

CONTINUING VALIDITY. Except as expressly changed by this Agreement, the terms of the original obligation or obligations, including all agreements evidenced or securing the obligation(s), remain unchanged and in full force and effect. Consent by Lender to this Agreement does not waive Lender's right to strict performance of the obligation(s) as changed, nor obligate Lender to make any future change in terms. Nothing in this Agreement will constitute a satisfaction of the obligation(s). It is the intention of Lender to retain as liable parties all makers and endorsers of the original obligation(s), including accommodation parties, unless a party is expressly released by Lender in writing. Any maker or endorser, including accommodation makers, will not be released by virtue of this Agreement. If any person who signed the original obligation does not sign this Agreement below, then all persons signing below acknowledge that this Agreement is given conditionally, based on the representation to Lender that the non-signing party consents to the changes and provisions of this Agreement or otherwise will not be released by it. This waiver applies not only to any initial extension, modification or release, but also to all such subsequent actions.

PRIOR TO SIGNING THIS AGREEMENT, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS AGREEMENT, INCLUDING THE VARIABLE INTEREST RATE PROVISIONS. BORROWER AGREES TO THE TERMS OF THE AGREEMENT.

BORROWER:

HINTON DEVELOPMENT CORPORATION

By: _____
Mark Hinton, President of Hinton Development Corporation

LASER PRO Lending, Ver. 5.31.00.004 Copr. Harland Financial Solutions, Inc. 1997, 2004. All Rights Reserved. - WA [illegible]

Exhibit B
0-000000240

311542

CHANGE IN TERMS AGREEMENT

3/8/07

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
$1,760,000.00	11-22-2005	02-01-2008	311542	18 / 44	911544932	UMT	

References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item.
Any item above containing "****" has been omitted due to text length limitations.

Borrower: Hinton Development Corporation
14010 A NE 3rd Ct Ste 106
Vancouver, WA 98685

Lender: Bank of Clark County
1400 Washington St, Suite 200
PO Box 61725
Vancouver, WA 98666-1725

Principal Amount: $1,760,000.00 **Initial Rate: 9.000%** **Date of Agreement: March 8, 2007**

DESCRIPTION OF EXISTING INDEBTEDNESS. This is a Variable Rate Nondisclosable Loan originally dated November 22, 2005 in the original amount of $1,760,000.00, with the most recent Change in Terms Agreement dated December 22, 2006 in the amount of $1,760,000.00.

DESCRIPTION OF CHANGE IN TERMS.

ANNUAL RENEWAL:
This is the annual renewal of Promissory Note #311542 originally dated November 22, 2005. The new maturity date will be February 1, 2008.

PAYMENT. Borrower will pay this loan in one principal payment of $1,760,000.00 plus interest on February 1, 2008. This payment due on February 1, 2008, will be for all principal and all accrued interest not yet paid. In addition, Borrower will pay regular monthly payments of all accrued unpaid interest due as of each payment date, beginning April 1, 2007, with all subsequent interest payments to be due on the same day of each month after that.

VARIABLE INTEREST RATE. The interest rate on this loan is subject to change from time to time based on changes in an independent index which is the Wall Street Journal Prime Rate (the "Index"). The Index is not necessarily the lowest rate charged by Lender on its loans. If the Index becomes unavailable during the term of this loan, Lender may designate a substitute index after notifying Borrower. Lender will tell Borrower the current Index rate upon Borrower's request. The interest rate change will not occur more often than each day. Borrower understands that Lender may make loans based on other rates as well. The Index currently is 8.250% per annum. The interest rate to be applied to the unpaid principal balance during this loan will be at a rate of 0.750 percentage points over the Index, rounded up to the nearest 0.125 percent, resulting in an initial rate of 9.000% per annum. NOTICE: Under no circumstances will the interest rate on this loan be more than the maximum rate allowed by applicable law.

CONTINUING VALIDITY. Except as expressly changed by this Agreement, the terms of the original obligation or obligations, including all agreements evidenced or securing the obligation(s), remain unchanged and in full force and effect. Consent by Lender to this Agreement does not waive Lender's right to strict performance of the obligation(s) as changed, nor obligate Lender to make any future change in terms. Nothing in this Agreement will constitute a satisfaction of the obligation(s). It is the intention of Lender to retain as liable parties all makers and endorsers of the original obligation(s), including accommodation parties, unless a party is expressly released by Lender in writing. Any maker or endorser, including accommodation makers, will not be released by virtue of this Agreement. If any person who signed the original obligation does not sign this Agreement below, then all persons signing below acknowledge that this Agreement is given conditionally, based on the representation to Lender that the non-signing party consents to the changes and provisions of this Agreement or otherwise will not be released by it. This waiver applies not only to any initial extension, modification or release, but also to all such subsequent actions.

PRIOR TO SIGNING THIS AGREEMENT, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS AGREEMENT, INCLUDING THE VARIABLE INTEREST RATE PROVISIONS. BORROWER AGREES TO THE TERMS OF THE AGREEMENT.

BORROWER:

HINTON DEVELOPMENT CORPORATION

By: Mark Hinton by: DENNIS E. RUGG AS ATTORNEY IN FACT
Mark Hinton, President of Hinton Development Corporation
CHIEF FINANCIAL OFFICER

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Exhibit B
0-000000241

311542

CHANGE IN TERMS AGREEMENT

020808

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
$1,760,000.00	11-22-2005	05-01-2008	311542	181 / 44	911544932	JMT	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "* * *" has been omitted due to text length limitations.

Borrower: Hinton Development Corporation
14010 A NE 3rd Ct Ste 106
Vancouver, WA 98685

Lender: Bank of Clark County
1400 Washington St. Suite 200
PO Box 61725
Vancouver, WA 98666-1725

Principal Amount: $1,760,000.00 Initial Rate: 6.750% Date of Agreement: February 8, 2008

DESCRIPTION OF EXISTING INDEBTEDNESS. This is a Variable Rate Nondisclosable Loan originally dated November 22, 2005 in the original amount of $1,760,000.00, with the most recent Change in Terms Agreement dated March 8, 2007 in the amount of $1,760,000.00.

DESCRIPTION OF CHANGE IN TERMS.

MATURITY DATE EXTENSION:
The maturity date of February 1, 2008 is hereby extended. The new maturity date will be May 1, 2008, at which time all remaining unpaid principal and accrued interest is due and payable.

PAYMENT. Borrower will pay this loan in one principal payment of $1,760,000.00 plus interest on May 1, 2008. This payment due on May 1, 2008, will be for all principal and all accrued interest not yet paid. In addition, Borrower will pay regular monthly payments of all accrued unpaid interest due as of each payment date, beginning March 1, 2008, with all subsequent interest payments to be due on the same day of each month after that.

VARIABLE INTEREST RATE. The interest rate on this loan is subject to change from time to time based on changes in an independent index which is the Wall Street Journal Prime Rate (the "Index"). The Index is not necessarily the lowest rate charged by Lender on its loans. If the Index becomes unavailable during the term of this loan, Lender may designate a substitute index after notifying Borrower. Lender will tell Borrower the current Index rate upon Borrower's request. The interest rate change will not occur more often than each day. Borrower understands that Lender may make loans based on other rates as well. The Index currently is 6.000% per annum. The interest rate to be applied to the unpaid principal balance during this loan will be at a rate of 0.750 percentage points over the Index, rounded up to the nearest 0.125 percent, resulting in an initial rate of 6.750% per annum. NOTICE: Under no circumstances will the interest rate on this loan be more than the maximum rate allowed by applicable law.

CONTINUING VALIDITY. Except as expressly changed by this Agreement, the terms of the original obligation or obligations, including all agreements evidenced or securing the obligation(s), remain unchanged and in full force and effect. Consent by Lender to this Agreement does not waive Lender's right to strict performance of the obligation(s) as changed, nor obligate Lender to make any future change in terms. Nothing in this Agreement will constitute a satisfaction of the obligation(s). It is the intention of Lender to retain as liable parties all makers and endorsers of the original obligation(s), including accommodation parties, unless a party is expressly released by Lender in writing. Any maker or endorser, including accommodation makers, will not be released by virtue of this Agreement. If any person who signed the original obligation does not sign this Agreement below, then all persons signing below acknowledge that this Agreement is given conditionally, based on the representation to Lender that the non-signing party consents to the changes and provisions of this Agreement or otherwise will not be released by it. This waiver applies not only to any initial extension, modification or release, but also to all such subsequent actions.

PRIOR TO SIGNING THIS AGREEMENT, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS AGREEMENT, INCLUDING THE VARIABLE INTEREST RATE PROVISIONS. BORROWER AGREES TO THE TERMS OF THE AGREEMENT.

BORROWER:

HINTON DEVELOPMENT CORPORATION

By: _____
Dennis E. Rugg, CFO/Treasurer of Hinton Development Corporation

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311542

5/19/08

CHANGE IN TERMS AGREEMENT

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
$1,760,000.00	11-22-2005	07-01-2008	911542	16/44	911544932	JMT	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item.
Any item above containing "***" has been omitted due to text length limitations.

Borrower: Hinton Development Corporation
14010 A NE 3rd Ct Ste 106
Vancouver, WA 98685

Lender: BANK OF CLARK COUNTY
PO Box 61725
Vancouver, WA 98666-1725

Principal Amount: $1,760,000.00 **Initial Rate:** 5.750% **Date of Agreement:** May 19, 2008

DESCRIPTION OF EXISTING INDEBTEDNESS. This is a Variable Rate Nondisclosable Loan originally dated November 22, 2005 in the original amount of $1,760,000.00, with the most recent Change in Terms Agreement dated February 8, 2008 in the amount of $1,760,000.00.

DESCRIPTION OF CHANGE IN TERMS.

MATURITY DATE EXTENSION:
The maturity date of May 1, 2008 is hereby extended. The new maturity date will be July 1, 2008, at which time all remaining unpaid principal and accrued interest is due and payable.

PAYMENT. Borrower will pay this loan in one principal payment of $1,760,000.00 plus interest on July 1, 2008. This payment due on July 1, 2008, will be for all principal and all accrued interest not yet paid. In addition, Borrower will pay regular monthly payments of all accrued unpaid interest due as of each payment date, beginning June 1, 2008, with all subsequent interest payments to be due on the same day of each month after that.

VARIABLE INTEREST RATE. The interest rate on this loan is subject to change from time to time based on changes in an independent index which is the Wall Street Journal Prime Rate (the "Index"). The Index is not necessarily the lowest rate charged by Lender on its loans. If the Index becomes unavailable during the term of this loan, Lender may designate a substitute index after notifying Borrower. Lender will tell Borrower the current Index rate upon Borrower's request. The interest rate change will not occur more often than each day. Borrower understands that Lender may make loans based on other rates as well. The Index currently is 5.000% per annum. The interest rate to be applied to the unpaid principal balance during this loan will be at a rate of 0.750 percentage points over the Index, rounded up to the nearest 0.125 percent, resulting in an initial rate of 5.750% per annum. NOTICE: Under no circumstances will the interest rate on this loan be more than the maximum rate allowed by applicable law.

CONTINUING VALIDITY. Except as expressly changed by this Agreement, the terms of the original obligation or obligations, including all agreements evidenced or securing the obligation(s), remain unchanged and in full force and effect. Consent by Lender to this Agreement does not waive Lender's right to strict performance of the obligation(s) as changed, nor obligate Lender to make any future change in terms. Nothing in this Agreement will constitute a satisfaction of the obligation(s). It is the intention of Lender to retain as liable parties all makers and endorsers of the original obligation(s), including accommodation parties, unless a party is expressly released by Lender in writing. Any maker or endorser, including accommodation makers, will not be released by virtue of this Agreement. If any person who signed the original obligation does not sign this Agreement below, then all persons signing below acknowledge that this Agreement is given conditionally, based on the representation to Lender that the non-signing party consents to the changes and provisions of this Agreement or otherwise will not be released by it. This waiver applies not only to any initial extension, modification or release, but also to all such subsequent actions.

PRIOR TO SIGNING THIS AGREEMENT, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS AGREEMENT, INCLUDING THE VARIABLE INTEREST RATE PROVISIONS. BORROWER AGREES TO THE TERMS OF THE AGREEMENT.

BORROWER:

HINTON DEVELOPMENT CORPORATION

By: _____
Dennis E. Rugg, CFO/Treasurer of Hinton Development Corporation

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Exhibit B

31542

CHANGE IN TERMS AGREEMENT

10-16-08

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
$1,760,000.00	11-22-2005	01-01-2009	31542	16 / 44	91-1544932	ARL	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item.
Any item above containing "***" has been omitted due to text length limitations.

Borrower: Hinton Development Corporation
14010 A NE 3rd Ct Ste 106
Vancouver, WA 98685

Lender: BANK OF CLARK COUNTY
PO Box 61725
Vancouver, WA 98666-1725

Principal Amount: $1,760,000.00 Initial Rate: 5.250% Date of Agreement: October 16, 2008

DESCRIPTION OF EXISTING INDEBTEDNESS. This is a Variable Rate Nondisclosable Loan originally dated November 22, 2005 in the original amount of $1,760,000.00, with the most recent Change in Terms Agreement dated July 31, 2008 in the amount of $1,760,000.00.

DESCRIPTION OF CHANGE IN TERMS.

MATURITY DATE EXTENSION:
The maturity date of October 1, 2008 is hereby extended. The new maturity date will be January 1, 2009, at which time all remaining unpaid principal and accrued interest is due and payable.

PAYMENT. Borrower will pay this loan in one principal payment of $1,760,000.00 plus interest on January 1, 2009. This payment due on January 1, 2009, will be for all principal and all accrued interest not yet paid. In addition, Borrower will pay regular monthly payments of all accrued unpaid interest due as of each payment date, beginning November 1, 2008, with all subsequent interest payments to be due on the same day of each month after that.

VARIABLE INTEREST RATE. The interest rate on this loan is subject to change from time to time based on changes in an independent index which is the Wall Street Journal Prime Rate (the "Index"). The Index is not necessarily the lowest rate charged by Lender on its loans. If the Index becomes unavailable during the term of this loan, Lender may designate a substitute index after notifying Borrower. Lender will tell Borrower the current Index rate upon Borrower's request. The interest rate change will not occur more often than each day. Borrower understands that Lender may make loans based on other rates as well. The Index currently is 4.500% per annum. The interest rate to be applied to the unpaid principal balance during this loan will be at a rate of 0.750 percentage points over the Index, rounded up to the nearest 0.125 percent, resulting in an initial rate of 5.250% per annum. NOTICE: Under no circumstances will the interest rate on this loan be more than the maximum rate allowed by applicable law.

CONTINUING VALIDITY. Except as expressly changed by this Agreement, the terms of the original obligation or obligations, including all agreements evidenced or securing the obligation(s), remain unchanged and in full force and effect. Consent by Lender to this Agreement does not waive Lender's right to strict performance of the obligation(s) as changed, nor obligate Lender to make any future change in terms. Nothing in this Agreement will constitute a satisfaction of the obligation(s). It is the intention of Lender to retain as liable parties all makers and endorsers of the original obligation(s), including accommodation parties, unless a party is expressly released by Lender in writing. Any maker or endorser, including accommodation makers, will not be released by virtue of this Agreement. If any person who signed the original obligation does not sign this Agreement below, then all persons signing below acknowledge that this Agreement is given conditionally, based on the representation to Lender that the non-signing party consents to the changes and provisions of this Agreement or otherwise will not be released by it. This waiver applies not only to any initial extension, modification or release, but also to all such subsequent actions.

PRIOR TO SIGNING THIS AGREEMENT, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS AGREEMENT, INCLUDING THE VARIABLE INTEREST RATE PROVISIONS. BORROWER AGREES TO THE TERMS OF THE AGREEMENT.

BORROWER:

HINTON DEVELOPMENT CORPORATION

By: _____
Mark Hinton, Pres/COB/Sec of Hinton Development Corporation

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Exhibit B
0-000000244

FileName: HINTON DEVELOPMENT CORPORATION
AccountNo. 311542
FDIC Control No. 911544932
Custodian ID No. 10029000109
AMONo. 3012.013

ALLONGE

THIS ALLONGE IS TO BE ATTACHED TO AND MADE AN INTEGRAL PART of the following instrument:

Note (and any amendments, modifications or changes thereto): Promissory Note
Dated: November 22, 2005
Payable by: HINTON DEVELOPMENT CORPORATION
Payable to the Order of: BANK OF CLARK COUNTY
Original Principal Amount: One Million Seven Hundred Sixty Thousand and 00/100 Dollars ($1,760,000.00)

PAY TO THE ORDER MULTIBANK 2009-1 RES-ADC VENTURE, LLC, A DELAWARE LIMITED LIABILITY COMPANY, WITHOUT RECOURSE AND WITHOUT REPRESENTATION OR WARRANTY, EXPRESS, IMPLIED OR BY OPERATION OF LAW, OF ANY KIND AND NATURE WHATSOEVER.

FEDERAL DEPOSIT INSURANCE CORPORATION AS RECEIVER FOR BANK OF CLARK COUNTY

By: Vanessa A. Orta

Name: Vanessa A. Orta
Title: Attorney-in-Fact

Dated as of February 9, 2010

Exhibit B
10-000000245

File Name: HINTON DEVELOPMENT CORPORATION
Account No. 311542
FDIC Control No. 911544932
Custodian ID No. 10029000109
AMO No. 3012.013
Quantum ID No. 7000053749

ALLONGE

THIS ALLONGE IS TO BE ATTACHED TO AND MADE AN INTEGRAL PART of the following instrument:

Note (and any amendments, modifications or changes thereto): Promissory Note
Dated: November 22, 2005
Payable by: HINTON DEVELOPMENT CORPORATION
Payable to the Order of: BANK OF CLARK COUNTY
Original Principal Amount: One Million Seven Hundred Sixty Thousand and 00/100 Dollars ($1,760,000.00)

PAY TO THE ORDER OF RES-WASH ONE, LLC, A FLORIDA LIMITED LIABILITY COMPANY, WITHOUT RECOURSE AND WITHOUT REPRESENTATION OR WARRANTY, EXPRESS, IMPLIED OR BY OPERATION OF LAW, OF ANY KIND AND NATURE WHATSOEVER.

MULTIBANK 2009-1 RES-ADC VENTURE, LLC, a Delaware limited liability company

By: **RL RES 2009-1 Investments, LLC**, a Delaware limited liability company, its Manager

By: **Rialto Capital Advisors, LLC**, a Delaware limited liability company, its attorney-in-fact

By: Doris Galczak
Name: Doris Galczak
Its: Manager – Legal Entities

Dated as of September 23, 2010

Exhibit B
10-000000246

311542

11/22/05

4087838
Page: 1 of 11
11/23/2005 11:58A
FIDELITY NATIONAL TITLE DT 43.00 Clark County, WA

RETURN ADDRESS:
Bank of Clark County
1400 Washington St, Suite 200
PO Box 61725
Vancouver, WA
98666-1725

V 40733mm

DEED OF TRUST

DATE: November 22, 2005

Reference # (if applicable): 311542 Additional on page ____

Grantor(s):
1. Hinton, Mark
2. Hinton, Joni J.

Grantee(s)
1. Bank of Clark County
2. Trustee Services Inc., Trustee

Legal Description: Section: 3 Township: 3 Range: 2 EAST

Additional on page 2

Assessor's Tax Parcel ID#: 091103-172 and 091103-173

THIS DEED OF TRUST is dated November 22, 2005, among Mark Hinton and Joni J. Hinton; husband and wife ("Grantor"); Bank of Clark County, whose mailing address is 1400 Washington St, Suite 200, PO Box 61725, Vancouver, WA 98666-1725 (referred to below sometimes as "Lender" and sometimes as "Beneficiary"); and Trustee Services Inc., whose mailing address is P.O. Box 2980, Silverdale, WA 98383-2980 (referred to below as "Trustee").

Exhibit B
0-000000247

CONVEYANCE AND GRANT. For valuable consideration, Grantor conveys to Trustee in trust with power of sale, right of entry and possession and for the benefit of Lender as Beneficiary, all of Grantor's right, title, and interest in and to the following described real property, together with all existing or subsequently erected or affixed buildings, improvements and fixtures; all easements, rights of way, and appurtenances; all water, water rights and ditch rights (including stock in utilities with ditch or irrigation rights); and all other rights, royalties, and profits relating to the real property, including without limitation all minerals, oil, gas, geothermal and similar matters, (the "Real Property") located in Clark County, State of Washington:

See Exhibit 'A', which is attached to this Deed of Trust and made a part of this Deed of Trust as if fully set forth herein.

The Real Property or its address is commonly known as NYA, Battle Ground, WA 98604. The Real Property tax identification number is 091103-172 and 091103-173.

CROSS-COLLATERALIZATION. In addition to the Note, this Deed of Trust secures all obligations, debts and liabilities, plus interest thereon, of Borrower to Lender, or any one or more of them, as well as all claims by Lender against Borrower or any one or more of them, whether now existing or hereafter arising, whether related or unrelated to the purpose of the Note, whether voluntary or otherwise, whether due or not due, direct or indirect, determined or undetermined, absolute or contingent, liquidated or unliquidated whether Borrower or Grantor may be liable individually or jointly with others, whether obligated as guarantor, surety, accommodation party or otherwise, and whether recovery upon such amounts may be or hereafter may become barred by any statute of limitations, and whether the obligation to repay such amounts may be or hereafter may become otherwise unenforceable.

Grantor hereby assigns as security to Lender, all of Grantor's right, title, and interest in and to all Leases, Rents, and profits of the Property. This assignment is recorded in accordance with RCW 65.08.070; the lien created by this assignment is intended to be specific, perfected and choate upon the recording of this Deed of Trust. Lender grants to Grantor a license to collect the Rents and profits, which license may be revoked at Lender's option and shall be automatically revoked upon acceleration of all or part of the Indebtedness.

THIS DEED OF TRUST, INCLUDING THE ASSIGNMENT OF RENTS AND THE SECURITY INTEREST IN THE RENTS AND PERSONAL PROPERTY, IS GIVEN TO SECURE (A) PAYMENT OF THE INDEBTEDNESS AND (B) PERFORMANCE OF ANY AND ALL OBLIGATIONS UNDER THE NOTE, THE RELATED DOCUMENTS, AND THIS DEED OF TRUST. THIS DEED OF TRUST IS GIVEN AND ACCEPTED ON THE FOLLOWING TERMS:

GRANTOR'S REPRESENTATIONS AND WARRANTIES. Grantor warrants that: (a) this Deed of Trust is executed at Borrower's request and not at the request of Lender; (b) Grantor has the full power, right, and authority to enter into this Deed of Trust and to hypothecate the Property; (c) the provisions of this Deed of Trust do not conflict with, or result in a default under any agreement or other instrument binding upon Grantor and do not result in a violation of any law, regulation, court decree or order applicable to Grantor; (d) Grantor has established adequate means of obtaining from Borrower on a continuing basis information about Borrower's financial condition; and (e) Lender has made no representation to Grantor about Borrower (including without limitation the creditworthiness of Borrower).

GRANTOR'S WAIVERS. Grantor waives all rights or defenses arising by reason of any "one action" or "anti-deficiency" law, or any other law which may prevent Lender from bringing any action against Grantor, including a claim for deficiency to the extent Lender is otherwise entitled to a claim for deficiency, before or after Lender's commencement or completion of any foreclosure action, either judicially or by exercise of a power of sale.

PAYMENT AND PERFORMANCE. Except as otherwise provided in this Deed of Trust, Borrower shall pay to Lender all indebtedness secured by this Deed of Trust as it becomes due, and Borrower and Grantor shall strictly perform all their respective obligations under the Note, this Deed of Trust, and the Related Documents.

POSSESSION AND MAINTENANCE OF THE PROPERTY. Borrower and Grantor agree that Borrower's and Grantor's possession and use of the Property shall be governed by the following provisions:

Possession and Use. Until the occurrence of an Event of Default, Grantor may (1) remain in possession and control of the Property; (2) use, operate or manage the Property; and (3) collect the Rents from the Property (this privilege is a license from Lender to Grantor automatically revoked upon default). The following provisions relate to the use of the Property or to other limitations on the Property. The Real Property is not used principally for agricultural purposes.

Duty to Maintain. Grantor shall maintain the Property in tenantable condition and promptly perform all repairs, replacements, and maintenance necessary to preserve its value.

Nuisance, Waste. Grantor shall not cause, conduct or permit any nuisance nor commit, permit, or suffer any stripping of or waste on or to the Property or any portion of the Property. Without limiting the generality of the foregoing, Grantor will not remove, or grant to any other party the right to remove, any timber, minerals (including oil and gas), coal, clay, scoria, soil, gravel or rock products without Lender's prior written consent.

Removal of Improvements. Grantor shall not demolish or remove any Improvements from the Real Property without Lender's prior written consent. As a condition to the removal of any Improvements, Lender may require Grantor to make arrangements satisfactory to Lender to replace such Improvements with Improvements of at least equal value.

Lender's Right to Enter. Lender and Lender's agents and representatives may enter upon the Real Property at all reasonable times to attend to Lender's interests and to inspect the Real Property for purposes of Grantor's compliance with the terms and conditions of this Deed of Trust.

Compliance with Governmental Requirements. Grantor shall promptly comply, and shall promptly cause compliance by all agents, tenants or other persons or entities of every nature whatsoever who rent, lease or otherwise use or occupy the Property in any manner, with all laws, ordinances, and regulations, now or hereafter in effect, of all governmental authorities applicable to the use or occupancy of the Property, including without limitation, the Americans With Disabilities Act. Grantor may contest in good faith any such law, ordinance, or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Grantor has notified Lender in writing prior to doing so and so long as, in Lender's sole opinion, Lender's interests in the Property are not jeopardized. Lender may require Grantor to post adequate security or a surety bond, reasonably satisfactory to Lender, to protect Lender's interest.

Duty to Protect. Grantor agrees neither to abandon or leave unattended the Property. Grantor shall do all other acts, in addition to those acts set forth above in this section, which from the character and use of the Property are reasonably necessary to protect and preserve the Property.

DUE ON SALE - CONSENT BY LENDER. Lender may, at Lender's option, (A) declare immediately due and payable all

Exhibit B
10-000000248

sums secured by this Deed of Trust or (B) increase the interest rate provided for in the Note or other document evidencing the Indebtedness and impose such other conditions as Lender deems appropriate, upon the sale or transfer, without Lender's prior written consent, of all or any part of the Real Property, or any interest in the Real Property. A "sale or transfer" means the conveyance of Real Property or any right, title or interest in the Real Property; whether legal, beneficial or equitable; whether voluntary or involuntary; whether by outright sale, deed, installment sale contract, land contract, contract for deed, leasehold interest with a term greater than three (3) years, lease-option contract, or by sale, assignment, or transfer of any beneficial interest in or to any land trust holding title to the Real Property, or by any other method of conveyance of an interest in the Real Property. However, this option shall not be exercised by Lender if such exercise is prohibited by federal law or by Washington law.

TAXES AND LIENS. The following provisions relating to the taxes and liens on the Property are part of this Deed of Trust:

Payment. Grantor shall pay when due (and in all events prior to delinquency) all taxes, special taxes, assessments, charges (including water and sewer), fines and impositions levied against or on account of the Property, and shall pay when due all claims for work done on or for services rendered or material furnished to the Property. Grantor shall maintain the Property free of all liens having priority over or equal to the interest of Lender under this Deed of Trust, except for the lien of taxes and assessments not due and except as otherwise provided in this Deed of Trust.

Right to Contest. Grantor may withhold payment of any tax, assessment, or claim in connection with a good faith dispute over the obligation to pay, so long as Lender's interest in the Property is not jeopardized. If a lien arises or is filed as a result of nonpayment, Grantor shall within fifteen (15) days after the lien arises or if a lien is filed, within fifteen (15) days after Grantor has notice of the filing, secure the discharge of the lien, or if requested by Lender, deposit with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender in an amount sufficient to discharge the lien plus any costs and attorneys' fees, or other charges that could accrue as a result of a foreclosure or sale under the lien. In any contest, Grantor shall defend itself and Lender and shall satisfy any adverse judgment before enforcement against the Property. Grantor shall name Lender as an additional obligee under any surety bond furnished in the contest proceedings.

Evidence of Payment. Grantor shall upon demand furnish to Lender satisfactory evidence of payment of the taxes or assessments and shall authorize the appropriate governmental official to deliver to Lender at any time a written statement of the taxes and assessments against the Property.

Notice of Construction. Grantor shall notify Lender at least fifteen (15) days before any work is commenced, any services are furnished, or any materials are supplied to the Property, if any mechanic's lien, materialmen's lien, or other lien could be asserted on account of the work, services, or materials and the cost exceeds $500.00. Grantor will upon request of Lender furnish to Lender advance assurances satisfactory to Lender that Grantor can and will pay the cost of such improvements.

PROPERTY DAMAGE INSURANCE. The following provisions relating to insuring the Property are a part of this Deed of Trust.

Maintenance of Insurance. Grantor shall procure and maintain policies of fire insurance with standard extended coverage endorsements on a full value basis for the full insurable value covering all improvements on the Real Property in an amount sufficient to avoid application of any coinsurance clause, and with a standard mortgagee clause in favor of Lender. Grantor shall also procure and maintain comprehensive general liability insurance in such coverage amounts as Lender may request with Trustee and Lender being named as additional insureds in such liability insurance policies. Additionally, Grantor shall maintain such other insurance, including but not limited to hazard, business interruption, and boiler insurance, as Lender may reasonably require. Policies shall be written in form, amounts, coverages and basis reasonably acceptable to Lender and issued by a company or companies reasonably acceptable to Lender. Grantor, upon request of Lender, will deliver to Lender from time to time the policies or certificates of insurance in form satisfactory to Lender, including stipulations that coverages will not be cancelled or diminished without at least ten (10) days prior written notice to Lender. Each insurance policy also shall include an endorsement providing that coverage in favor of Lender will not be impaired in any way by any act, omission or default of Grantor or any other person. Should the Real Property be located in an area designated by the Director of the Federal Emergency Management Agency as a special flood hazard area, Grantor agrees to obtain and maintain Federal Flood Insurance, if available, within 45 days after notice is given by Lender that the Property is located in a special flood hazard area, for the full unpaid principal balance of the loan and any prior liens on the property securing the loan, up to the maximum policy limits set under the National Flood Insurance Program, or as otherwise required by Lender, and to maintain such insurance for the term of the loan.

Application of Proceeds. Grantor shall promptly notify Lender of any loss or damage to the Property if the estimated cost of repair or replacement exceeds $500.00. Lender may make proof of loss if Grantor fails to do so within fifteen (15) days of the casualty. Whether or not Lender's security is impaired, Lender may, at Lender's election, receive and retain the proceeds of any insurance and apply the proceeds to the reduction of the Indebtedness, payment of any lien affecting the Property, or the restoration and repair of the Property. If Lender elects to apply the proceeds to restoration and repair, Grantor shall repair or replace the damaged or destroyed Improvements in a manner satisfactory to Lender. Lender shall, upon satisfactory proof of such expenditure, pay or reimburse Grantor from the proceeds for the reasonable cost of repair or restoration if Grantor is not in default under this Deed of Trust. Any proceeds which have not been disbursed within 180 days after their receipt and which Lender has not committed to the repair or restoration of the Property shall be used first to pay any amount owing to Lender under this Deed of Trust, then to pay accrued interest, and the remainder, if any, shall be applied to the principal balance of the Indebtedness. If Lender holds any proceeds after payment in full of the Indebtedness, such proceeds shall be paid without interest to Grantor as Grantor's interests may appear.

Grantor's Report on Insurance. Upon request of Lender, however not more than once a year, Grantor shall furnish to Lender a report on each existing policy of insurance showing: (1) the name of the insurer; (2) the risks insured; (3) the amount of the policy; (4) the property insured, the then current replacement value of such property, and the manner of determining that value; and (5) the expiration date of the policy. Grantor shall, upon request of Lender, have an independent appraiser satisfactory to Lender determine the cash value replacement cost of the Property.

LENDER'S EXPENDITURES. If any action or proceeding is commenced that would materially affect Lender's interest in the Property or if Grantor fails to comply with any provision of this Deed of Trust or any Related Documents, including but not limited to Grantor's failure to discharge or pay when due any amounts Grantor is required to discharge or pay under this Deed of Trust or any Related Documents, Lender on Grantor's behalf may (but shall not be obligated to) take any action that Lender deems appropriate, including but not limited to discharging or paying all taxes, liens, security interests, encumbrances and other claims, at any time levied or placed on the Property and paying all costs for insuring, maintaining and preserving the Property. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the rate charged under the Note from the date incurred or paid by Lender to the date of repayment by Grantor. All such expenses will become a part of the Indebtedness and, at Lender's option, will (A) be payable on

demand; (B) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (1) the term of any applicable insurance policy, or (2) the remaining term of the Note; or (C) be treated as a balloon payment which will be due and payable at the Note's maturity. The Deed of Trust also will secure payment of these amounts. Such right shall be in addition to all other rights and remedies to which Lender may be entitled upon Default.

WARRANTY; DEFENSE OF TITLE. The following provisions relating to ownership of the Property are a part of this Deed of Trust:

Title. Grantor warrants that: (a) Grantor holds good and marketable title of record to the Property in fee simple, free and clear of all liens and encumbrances other than those set forth in the Real Property description or in any title insurance policy, title report, or final title opinion issued in favor of, and accepted by, Lender in connection with this Deed of Trust, and (b) Grantor has the full right, power, and authority to execute and deliver this Deed of Trust to Lender.

Defense of Title. Subject to the exception in the paragraph above, Grantor warrants and will forever defend the title to the Property against the lawful claims of all persons. In the event any action or proceeding is commenced that questions Grantor's title or the interest of Trustee or Lender under this Deed of Trust, Grantor shall defend the action at Grantor's expense. Grantor may be the nominal party in such proceeding, but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of Lender's own choice, and Grantor will deliver, or cause to be delivered, to Lender such instruments as Lender may request from time to time to permit such participation.

Compliance With Laws. Grantor warrants that the Property and Grantor's use of the Property complies with all existing applicable laws, ordinances, and regulations of governmental authorities.

Survival of Representations and Warranties. All representations, warranties, and agreements made by Grantor in this Deed of Trust shall survive the execution and delivery of this Deed of Trust, shall be continuing in nature, and shall remain in full force and effect until such time as Borrower's Indebtedness shall be paid in full.

CONDEMNATION. The following provisions relating to condemnation proceedings are a part of this Deed of Trust:

Proceedings. If any proceeding in condemnation is filed, Grantor shall promptly notify Lender in writing, and Grantor shall promptly take such steps as may be necessary to defend the action and obtain the award. Grantor may be the nominal party in such proceeding, but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of its own choice all at Grantor's expense, and Grantor will deliver or cause to be delivered to Lender such instruments and documentation as may be requested by Lender from time to time to permit such participation.

Application of Net Proceeds. If all or any part of the Property is condemned by eminent domain proceedings or by any proceeding or purchase in lieu of condemnation, Lender may at its election require that all or any portion of the net proceeds of the award be applied to the Indebtedness or the repair or restoration of the Property. The net proceeds of the award shall mean the award after payment of all reasonable costs, expenses, and attorneys' fees incurred by Trustee or Lender in connection with the condemnation.

IMPOSITION OF TAXES, FEES AND CHARGES BY GOVERNMENTAL AUTHORITIES. The following provisions relating to governmental taxes, fees and charges are a part of this Deed of Trust:

Current Taxes, Fees and Charges. Upon request by Lender, Grantor shall execute such documents in addition to this Deed of Trust and take whatever other action is requested by Lender to perfect and continue Lender's lien on the Real Property. Grantor shall reimburse Lender for all taxes, as described below, together with all expenses incurred in recording, perfecting or continuing this Deed of Trust, including without limitation all taxes, fees, documentary stamps, and other charges for recording or registering this Deed of Trust.

Taxes. The following shall constitute taxes to which this section applies: (1) a specific tax upon this type of Deed of Trust or upon all or any part of the Indebtedness secured by this Deed of Trust; (2) a specific tax on Borrower which Borrower is authorized or required to deduct from payments on the Indebtedness secured by this type of Deed of Trust; (3) a tax on this type of Deed of Trust chargeable against the Lender or the holder of the Note; and (4) a specific tax on all or any portion of the Indebtedness or on payments of principal and interest made by Borrower.

Subsequent Taxes. If any tax to which this section applies is enacted subsequent to the date of this Deed of Trust, this event shall have the same effect as an Event of Default, and Lender may exercise any or all of its available remedies for an Event of Default as provided below unless Grantor either (1) pays the tax before it becomes delinquent, or (2) contests the tax as provided above in the Taxes and Liens section and deposits with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender.

SECURITY AGREEMENT; FINANCING STATEMENTS. The following provisions relating to this Deed of Trust as a security agreement are a part of this Deed of Trust:

Security Agreement. This instrument shall constitute a Security Agreement to the extent any of the Property constitutes fixtures, and Lender shall have all of the rights of a secured party under the Uniform Commercial Code as amended from time to time.

Security Interest. Upon request by Lender, Grantor shall take whatever action is requested by Lender to perfect and continue Lender's security interest in the Rents and Personal Property. In addition to recording this Deed of Trust in the real property records, Lender may, at any time and without further authorization from Grantor, file executed counterparts, copies or reproductions of this Deed of Trust as a financing statement. Grantor shall reimburse Lender for all expenses incurred in perfecting or continuing this security interest. Upon default, Grantor shall not remove, sever or detach the Personal Property from the Property. Upon default, Grantor shall assemble any Personal Property not affixed to the Property in a manner and at a place reasonably convenient to Grantor and Lender and make it available to Lender within three (3) days after receipt of written demand from Lender to the extent permitted by applicable law.

Addresses. The mailing addresses of Grantor (debtor) and Lender (secured party) from which information concerning the security interest granted by this Deed of Trust may be obtained (each as required by the Uniform Commercial Code) are as stated on the first page of this Deed of Trust.

FURTHER ASSURANCES; ATTORNEY-IN-FACT. The following provisions relating to further assurances and attorney-in-fact are a part of this Deed of Trust:

Further Assurances. At any time, and from time to time, upon request of Lender, Grantor will make, execute and deliver, or will cause to be made, executed or delivered, to Lender or to Lender's designee, and when requested by Lender, cause to be filed, recorded, refiled, or rerecorded, as the case may be, at such times and in such offices and places as Lender may deem appropriate, any and all such mortgages, deeds of trust, security deeds, security agreements, financing statements, continuation statements, instruments of further assurance, certificates, and

other documents as may, in the sole opinion of Lender, be necessary or desirable in order to effectuate, complete, perfect, continue, or preserve (1) Borrower's and Grantor's obligations under the Note, this Deed of Trust, and the Related Documents, and (2) the liens and security interests created by this Deed of Trust as first and prior liens on the Property, whether now owned or hereafter acquired by Grantor. Unless prohibited by law or Lender agrees to the contrary in writing, Grantor shall reimburse Lender for all costs and expenses incurred in connection with the matters referred to in this paragraph.

Attorney-in-Fact. If Grantor fails to do any of the things referred to in the preceding paragraph, Lender may do so for and in the name of Grantor and at Grantor's expense. For such purposes, Grantor hereby irrevocably appoints Lender as Grantor's attorney-in-fact for the purpose of making, executing, delivering, filing, recording, and doing all other things as may be necessary or desirable, in Lender's sole opinion, to accomplish the matters referred to in the preceding paragraph.

FULL PERFORMANCE. If Borrower pays all the Indebtedness when due, and otherwise performs all the obligations imposed upon Grantor under this Deed of Trust, Lender shall execute and deliver to Trustee a request for full reconveyance and shall execute and deliver to Grantor suitable statements of termination of any financing statement on file evidencing Lender's security interest in the Rents and the Personal Property. Any reconveyance fee shall be paid by Grantor, if permitted by applicable law. The grantee in any reconveyance may be described as the "person or persons legally entitled thereto", and the recitals in the reconveyance of any matters or facts shall be conclusive proof of the truthfulness of any such matters or facts.

EVENTS OF DEFAULT. Each of the following, at Lender's option, shall constitute an Event of Default under this Deed of Trust:

Payment Default. Borrower fails to make any payment when due under the Indebtedness.

Other Defaults. Borrower or Grantor fails to comply with or to perform any other term, obligation, covenant or condition contained in this Deed of Trust or in any of the Related Documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower or Grantor.

Compliance Default. Failure to comply with any other term, obligation, covenant or condition contained in this Deed of Trust, the Note or in any of the Related Documents.

Default on Other Payments. Failure of Grantor within the time required by this Deed of Trust to make any payment for taxes or insurance, or any other payment necessary to prevent filing of or to effect discharge of any lien.

Default in Favor of Third Parties. Should Borrower or any Grantor default under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Grantor's property or Borrower's or any Grantor's ability to repay the Indebtedness or perform their respective obligations under this Deed of Trust or any of the Related Documents.

False Statements. Any warranty, representation or statement made or furnished to Lender by Borrower or Grantor or on Borrower's or Grantor's behalf under this Deed of Trust or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Defective Collateralization. This Deed of Trust or any of the Related Documents ceases to be in full force and effect (including failure of any collateral document to create a valid and perfected security interest or lien) at any time and for any reason.

Death or Insolvency. The dissolution or termination of Borrower's or Grantor's existence as a going business, the insolvency of Borrower or Grantor, the appointment of a receiver for any part of Borrower's or Grantor's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower or Grantor.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or Grantor or by any governmental agency against any property securing the Indebtedness. This includes a garnishment of any of Borrower's or Grantor's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower or Grantor as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower or Grantor gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in his sole discretion, as being an adequate reserve or bond for the dispute.

Breach of Other Agreement. Any breach by Borrower or Grantor under the terms of any other agreement between Borrower or Grantor and Lender that is not remedied within any grace period provided therein, including without limitation any agreement concerning any indebtedness or other obligation of Borrower or Grantor to Lender, whether existing now or later.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any Guarantor of any of the Indebtedness or any Guarantor dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any Guaranty of the Indebtedness. In the event of a death, Lender, at its option, may, but shall not be required to, permit the Guarantor's estate to assume unconditionally the obligations arising under the guaranty in a manner satisfactory to Lender, and, in doing so, cure any Event of Default.

Adverse Change. A material adverse change occurs in Borrower's or Grantor's financial condition, or Lender believes the prospect of payment or performance of the Indebtedness is impaired.

Insecurity. Lender in good faith believes itself insecure.

Right to Cure. If any default, other than a default in payment is curable and if Grantor has not been given a notice of a breach of the same provision of this Deed of Trust within the preceding twelve (12) months, it may be cured if Grantor, after receiving written notice from Lender demanding cure of such default: (1) cures the default within fifteen (15) days; or (2) if the cure requires more than fifteen (15) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

RIGHTS AND REMEDIES ON DEFAULT. If an Event of Default occurs under this Deed of Trust, at any time thereafter, Trustee or Lender may exercise any one or more of the following rights and remedies:

Election of Remedies. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Grantor under this Deed of Trust, after Grantor's failure to perform, shall not affect Lender's right to declare a default and exercise its remedies.

Accelerate Indebtedness. Lender shall have the right at its option to declare the entire Indebtedness immediately due and payable, including any prepayment penalty which Borrower would be required to pay.

Foreclosure. With respect to all or any part of the Real Property, the Trustee shall have the right to exercise its power of sale and to foreclose by notice and sale, and Lender shall have the right to foreclose by judicial foreclosure, in either case in accordance with and to the full extent provided by applicable law.

UCC Remedies. With respect to all or any part of the Personal Property, Lender shall have all the rights and remedies of a secured party under the Uniform Commercial Code.

Collect Rents. Lender shall have the right, without notice to Borrower or Grantor to take possession of and manage the Property and collect the Rents, including amounts past due and unpaid, and apply the net proceeds, over and above Lender's costs, against the Indebtedness. In furtherance of this right, Lender may require any tenant or other user of the Property to make payments of rent or use fees directly to Lender. If the Rents are collected by Lender, then Grantor irrevocably designates Lender as Grantor's attorney-in-fact to endorse instruments received in payment thereof in the name of Grantor and to negotiate the same and collect the proceeds. Payments by tenants or other users to Lender in response to Lender's demand shall satisfy the obligations for which the payments are made, whether or not any proper grounds for the demand existed. Lender may exercise its rights under this subparagraph either in person, by agent, or through a receiver.

Appoint Receiver. Lender shall have the right to have a receiver appointed to take possession of all or any part of the Property, with the power to protect and preserve the Property, to operate the Property preceding or pending foreclosure or sale, and to collect the Rents from the Property and apply the proceeds, over and above the cost of the receivership, against the Indebtedness. The receiver may serve without bond if permitted by law. Lender's right to the appointment of a receiver shall exist whether or not the apparent value of the Property exceeds the Indebtedness by a substantial amount. Employment by Lender shall not disqualify a person from serving as a receiver.

Tenancy at Sufferance. If Grantor remains in possession of the Property after the Property is sold as provided above or Lender otherwise becomes entitled to possession of the Property upon default of Grantor, Grantor shall become a tenant at sufferance of Lender or the purchaser of the Property and shall, at Lender's option, either (1) pay a reasonable rental for the use of the Property, or (2) vacate the Property immediately upon the demand of Lender.

Other Remedies. Trustee or Lender shall have any other right or remedy provided in this Deed of Trust or the Note or by law.

Notice of Sale. Lender shall give Grantor reasonable notice of the time and place of any public sale of the Personal Property or of the time after which any private sale or other intended disposition of the Personal Property is to be made. Reasonable notice shall mean notice given at least ten (10) days before the time of the sale or disposition. Any sale of the Personal Property may be made in conjunction with any sale of the Real Property.

Sale of the Property. To the extent permitted by applicable law, Borrower and Grantor hereby waives any and all rights to have the Property marshalled. In exercising its rights and remedies, the Trustee or Lender shall be free to sell all or any part of the Property together or separately, in one sale or by separate sales. Lender shall be entitled to bid at any public sale on all or any portion of the Property.

Attorneys' Fees; Expenses. If Lender institutes any suit or action to enforce any of the terms of this Deed of Trust, Lender shall be entitled to recover such sum as the court may adjudge reasonable as attorneys' fees at trial and upon any appeal. Whether or not any court action is involved, and to the extent not prohibited by law, all reasonable expenses Lender incurs that in Lender's opinion are necessary at any time for the protection of its interest or the enforcement of its rights shall become a part of the Indebtedness payable on demand and shall bear interest at the Note rate from the date of the expenditure until repaid. Expenses covered by this paragraph include, without limitation, however subject to any limits under applicable law, Lender's attorneys' fees and Lender's legal expenses, whether or not there is a lawsuit, including attorneys' fees and expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services, the cost of searching records, obtaining title reports (including foreclosure reports), surveyors' reports, and appraisal fees, title insurance, and fees for the Trustee, to the extent permitted by applicable law. Grantor also will pay any court costs, in addition to all other sums provided by law.

Rights of Trustee. Trustee shall have all of the rights and duties of Lender as set forth in this section.

POWERS AND OBLIGATIONS OF TRUSTEE. The following provisions relating to the powers and obligations of Trustee (pursuant to Lender's instructions) are part of this Deed of Trust:

Powers of Trustee. In addition to all powers of Trustee arising as a matter of law, Trustee shall have the power to take the following actions with respect to the Property upon the written request of Lender and Grantor: (a) join in preparing and filing a map or plat of the Real Property, including the dedication of streets or other rights to the public; (b) join in granting any easement or creating any restriction on the Real Property; and (c) join in any subordination or other agreement affecting this Deed of Trust or the interest of Lender under this Deed of Trust.

Obligations to Notify. Trustee shall not be obligated to notify any other party of a pending sale under any other trust deed or lien, or of any action or proceeding in which Grantor, Lender, or Trustee shall be a party, unless required by applicable law, or unless the action or proceeding is brought by Trustee.

Trustee. Trustee shall meet all qualifications required for Trustee under applicable law. In addition to the rights and remedies set forth above, with respect to all or any part of the Property, the Trustee shall have the right to foreclose by notice and sale, and Lender shall have the right to foreclose by judicial foreclosure, in either case in accordance with and to the full extent provided by applicable law.

Successor Trustee. Lender, at Lender's option, may from time to time appoint a successor Trustee to any Trustee appointed under this Deed of Trust by an instrument executed and acknowledged by Lender and recorded in the office of the recorder of Clark County, State of Washington. The instrument shall contain, in addition to all other matters required by state law, the names of the original Lender, Trustee, and Grantor, the book and page or the Auditor's File Number where this Deed of Trust is recorded, and the name and address of the successor trustee, and the instrument shall be executed and acknowledged by Lender or its successors in interest. The successor trustee, without conveyance of the Property, shall succeed to all the title, power, and duties conferred upon the Trustee in this Deed of Trust and by applicable law. This procedure for substitution of Trustee shall govern to the exclusion of all other provisions for substitution.

NOTICES. Subject to applicable law, and except for notice required or allowed by law to be given in another manner, any notice required to be given under this Deed of Trust, including without limitation any notice of default and any notice of sale shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Deed of Trust. All copies of notices of foreclosure from the holder of any lien which has priority over this Deed of Trust shall be sent to Lender's address, as shown near the beginning of

this Deed of Trust. Any party may change its address for notices under this Deed of Trust by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Grantor agrees to keep Lender informed at all times of Grantor's current address. Subject to applicable law, and except for notice required or allowed by law to be given in another manner, if there is more than one Grantor, any notice given by Lender to any Grantor is deemed to be notice given to all Grantors.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Deed of Trust:

Amendments. This Deed of Trust, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Deed of Trust. No alteration of or amendment to this Deed of Trust shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Annual Reports. If the Property is used for purposes other than Grantor's residence, Grantor shall furnish to Lender, upon request, a certified statement of net operating income received from the Property during Grantor's previous fiscal year in such form and detail as Lender shall require. "Net operating income" shall mean all cash receipts from the Property less all cash expenditures made in connection with the operation of the Property.

Arbitration. Borrower and Grantor and Lender agree that all disputes, claims and controversies between them whether individual, joint, or class in nature, arising from this Deed of Trust or otherwise, including without limitation contract and tort disputes, shall be arbitrated pursuant to the Rules of the American Arbitration Association in effect at the time the claim is filed, upon request of either party. No act to take or dispose of any Property shall constitute a waiver of this arbitration agreement or be prohibited by this arbitration agreement. This includes, without limitation, obtaining injunctive relief or a temporary restraining order; invoking a power of sale under any deed of trust or mortgage; obtaining a writ of attachment or imposition of a receiver; or exercising any rights relating to personal property, including taking or disposing of such property with or without judicial process pursuant to Article 9 of the Uniform Commercial Code. Any disputes, claims, or controversies concerning the lawfulness or reasonableness of any act, or exercise of any right, concerning any Property, including any claim to rescind, reform, or otherwise modify any agreement relating to the Property, shall also be arbitrated, provided however that no arbitrator shall have the right or the power to enjoin or restrain any act of any party. Judgment upon any award rendered by any arbitrator may be entered in any court having jurisdiction. Nothing in this Deed of Trust shall preclude any party from seeking equitable relief from a court of competent jurisdiction. The statute of limitations, estoppel, waiver, laches, and similar doctrines which would otherwise be applicable in an action brought by a party shall be applicable in any arbitration proceeding, and the commencement of an arbitration proceeding shall be deemed the commencement of an action for these purposes. The Federal Arbitration Act shall apply to the construction, interpretation, and enforcement of this arbitration provision.

Caption Headings. Caption headings in this Deed of Trust are for convenience purposes only and are not to be used to interpret or define the provisions of this Deed of Trust.

Merger. There shall be no merger of the interest or estate created by this Deed of Trust with any other interest or estate in the Property at any time held by or for the benefit of Lender in any capacity, without the written consent of Lender.

Governing Law. This Deed of Trust will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Washington without regard to its conflicts of law provisions. This Deed of Trust has been accepted by Lender in the State of Washington.

Choice of Venue. If there is a lawsuit, Grantor agrees upon Lender's request to submit to the jurisdiction of the courts of Clark County, State of Washington.

Joint and Several Liability. All obligations of Borrower and Grantor under this Deed of Trust shall be joint and several, and all references to Grantor shall mean each and every Grantor, and all references to Borrower shall mean each and every Borrower. This means that each Borrower and Grantor signing below is responsible for all obligations in this Deed of Trust.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Deed of Trust unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Deed of Trust shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Deed of Trust. No prior waiver by Lender, nor any course of dealing between Lender and Grantor, shall constitute a waiver of any of Lender's rights or of any of Grantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Deed of Trust, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Severability. If a court of competent jurisdiction finds any provision of this Deed of Trust to be illegal, invalid, or unenforceable as to any person or circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other person or circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Deed of Trust. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Deed of Trust shall not affect the legality, validity or enforceability of any other provision of this Deed of Trust.

Successors and Assigns. Subject to any limitations stated in this Deed of Trust on transfer of Grantor's interest, this Deed of Trust shall be binding upon and inure to the benefit of the parties, their successors and assigns. If ownership of the Property becomes vested in a person other than Grantor, Lender, without notice to Grantor, may deal with Grantor's successors with reference to this Deed of Trust and the indebtedness by way of forbearance or extension without releasing Grantor from the obligations of this Deed of Trust or liability under the indebtedness.

Time is of the Essence. Time is of the essence in the performance of this Deed of Trust.

Waiver of Homestead Exemption. Grantor hereby releases and waives all rights and benefits of the homestead exemption laws of the State of Washington as to all indebtedness secured by this Deed of Trust.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Deed of Trust. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Deed of Trust shall have the meanings attributed to such terms in the Uniform Commercial Code:

Beneficiary. The word "Beneficiary" means Bank of Clark County, and its successors and assigns.

Borrower. The word "Borrower" means Hinton Development Corporation and includes all co-signers and co-makers signing the Note and all their successors and assigns.

Deed of Trust. The words "Deed of Trust" mean this Deed of Trust among Grantor, Lender, and Trustee, and includes without limitation all assignment and security interest provisions relating to the Personal Property and Rents.

Default. The word "Default" means the Default set forth in this Deed of Trust in the section titled "Default".

Event of Default. The words "Event of Default" mean any of the events of default set forth in this Deed of Trust in the events of default section of this Deed of Trust.

Grantor. The word "Grantor" means Mark Hinton and Joni J. Hinton.

Guarantor. The word "Guarantor" means any guarantor, surety, or accommodation party of any or all of the Indebtedness.

Guaranty. The word "Guaranty" means the guaranty from Guarantor to Lender, including without limitation a guaranty of all or part of the Note.

Improvements. The word "Improvements" means all existing and future improvements, buildings, structures, mobile homes affixed on the Real Property, facilities, additions, replacements and other construction on the Real Property.

Indebtedness. The word "Indebtedness" means all principal, interest, and other amounts, costs and expenses payable under the Note or Related Documents, together with all renewals of, extensions of, modifications of, consolidations of and substitutions for the Note or Related Documents and any amounts expended or advanced by Lender to discharge Grantor's obligations or expenses incurred by Trustee or Lender to enforce Grantor's obligations under this Deed of Trust, together with interest on such amounts as provided in this Deed of Trust. Specifically, without limitation, Indebtedness includes all amounts that may be indirectly secured by the Cross-Collateralization provision of this Deed of Trust.

Lender. The word "Lender" means Bank of Clark County, its successors and assigns.

Note. The word "Note" means the promissory note dated November 22, 2005, in the original principal amount of $1,760,000.00 from Borrower to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement. NOTICE TO GRANTOR: THE NOTE CONTAINS A VARIABLE INTEREST RATE.

Personal Property. The words "Personal Property" mean all equipment, fixtures, and other articles of personal property now or hereafter owned by Grantor, and now or hereafter attached or affixed to the Real Property; together with all accessions, parts, and additions to, all replacements of, and all substitutions for, any of such property; and together with all issues and profits thereon and proceeds (including without limitation all insurance proceeds and refunds of premiums) from any sale or other disposition of the Property.

Property. The word "Property" means collectively the Real Property and the Personal Property.

Real Property. The words "Real Property" mean the real property, interests and rights, as further described in this Deed of Trust.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness; provided, that the environmental indemnity agreements are not "Related Documents" and are not secured by this Deed of Trust.

Rents. The word "Rents" means all present and future rents, revenues, income, issues, royalties, profits, and other benefits derived from the Property.

Trustee. The word "Trustee" means Trustee Services Inc., whose mailing address is P.O. Box 2980, Silverdale, WA 98383-2980 and any substitute or successor trustees.

EACH GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS DEED OF TRUST, AND EACH GRANTOR AGREES TO ITS TERMS.

GRANTOR:

X _____
Mark Hinton

X _____
Joni J. Hinton

DEED OF TRUST
(Continued)

INDIVIDUAL ACKNOWLEDGMENT

MELINDA A. CALEN NOTARY PUBLIC COMMISSION EXPIRES SEPTEMBER 16, 2009 STATE OF WASHINGTON

STATE OF Washington)
) SS
COUNTY OF Clark)

On this day before me, the undersigned Notary Public, personally appeared Mark Hinton, [illegible] known to me or proved to me on the basis of satisfactory evidence to be the individual described in and who executed the Deed of Trust, and acknowledged that he or she signed the Deed of Trust as his or her free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 22nd day of November, 20 05.

By Melinda A. Calen Residing at Vancouver

Notary Public in and for the State of WA My commission expires 9.16.09

INDIVIDUAL ACKNOWLEDGMENT

MELINDA A. CALEN NOTARY PUBLIC COMMISSION EXPIRES SEPTEMBER 16, 2009 STATE OF WASHINGTON

STATE OF Washington)
) SS
COUNTY OF Clark)

On this day before me, the undersigned Notary Public, personally appeared Joni J. Hinton, [illegible] known to me or proved to me on the basis of satisfactory evidence to be the individual described in and who executed the Deed of Trust, and acknowledged that he or she signed the Deed of Trust as his or her free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 22nd day of November, 2005.

By Melinda A. Calen Residing at Vancouver

Notary Public in and for the State of WA My commission expires 9.16.09

REQUEST FOR FULL RECONVEYANCE

To: _____, Trustee

The undersigned is the legal owner and holder of all indebtedness secured by this Deed of Trust. You are hereby requested, upon payment of all sums owing to you, to reconvey without warranty, to the persons entitled thereto, the right, title and interest now held by you under the Deed of Trust.

Date: _____ Beneficiary: _____

By: _____

Its: _____

LASER PRO Lending, Ver. 5.30.00.003 Copr. Harland Financial Solutions, Inc. 1997, 2005. All Rights Reserved. - WA [illegible]

Exhibit B
10-000000255

Fidelity National Title Company of Washington

EXHIBIT A

Description: Order No.: V40733

A portion of the Northwest quarter of the Southeast quarter of Section 3, Township 3 North, Range 2 East, Willamette Meridian, City of Battle Ground, Clark County, Washington, described as follows:

BEGINNING at a concrete monument with brass cap marking the Quarter corner between Sections 2 and 3; thence North 89°27'07" West, along the North line of the Southeast quarter of Section 3, for a distance of 1510.18 feet to a ½ inch iron rod as shown in Book 41 of Surveys at page 160, Clark County Auditor's Records, said point being the Northwest corner of the CITY OF BATTLE GROUND TRACT as described under Clark County Auditor's File No. 8811210044; thence South 00°48'26" West, along the West line of the CITY OF BATTLE GROUND TRACT, 829.40 feet to a ½ inch iron rod (Survey 41-160); thence continuing along the West line of the CITY OF BATTLE GROUND TRACT, South 00°44'55" West, 60.55 feet to a 1/2 inch iron rod (Survey 41-160) marking the Northeast corner of the BATTLE GROUND ASSOCIATES TRACT as described under Clark County Auditor's File No. 9106170021; thence North 89°22'24" West along the North line of the BATTLE GROUND ASSOCIATES TRACT, 350.00 feet to the TRUE POINT OF BEGINNING; thence continuing North 89°22'24" West 258.24 feet to a 1/2 inch iron rod (Survey 41-160) marking the Northwest corner of the BATTLE GROUND ASSOCIATES TRACT; thence South 00°34'33" West, 430.16 feet to a 1/2 inch iron rod (Survey 41-160) marking the Southwest corner of the BATTLE GROUND ASSOCIATES TRACT, said point also being at the Northwest corner of the BATTLE GROUND SCHOOL DISTRICT #119 TRACT as described under Clark County Auditor's File No. 8001080068; thence North 89°22'33" West, along the North line of the GARDNER TRACT as described under Clark County Auditor's File No. 9502140193, for a distance of 372.78 feet to a 1/2 inch iron rod (Survey 41-160) on the East right-of-way line of State Route 503 as shown on the Washington State Department of Transportation right-of-way and alignment plan dated June 4, 1994; thence North 00°54'57" East, along said East right-of-way line, 739.38 feet to the Southwest corner of the CITY OF BATTLE GROUND TRACT as described under Clark County Auditor's File No. 3126557; thence South 89°27'07" East, along the South line of the CITY OF BATTLE GROUND TRACT, 627.82 feet; thence South 00°47'46" West, 310.06 feet to the TRUE POINT OF BEGINNING..

AND a portion of the Northwest quarter of the Southeast quarter of Section 3, Township 3 North, Range 2 East, Willamette Meridian, City of Battle Ground, Clark County, Washington, described as follows:

Fidelity National Title Company of Washington

EXHIBIT A

ORDER NO: V40733
Continued...

BEGINNING at a concrete monument with brass cap marking the Quarter corner between Sections 2 and 3; thence North 89°27'07" West, along the North line of the Southeast quarter of Section 3, for a distance of 1510.18 feet to a 1/2 inch iron rod as shown in Book 41 of Surveys at page 160, Clark County Auditor's Records, said point being the Northwest corner of the CITY OF BATTLE GROUND TRACT as described under Clark County Auditor's File No. 8811210044; thence South 00°48'26" West, along the West line of the CITY OF BATTLE GROUND TRACT, 579.40 feet to the TRUE POINT OF BEGINNING; thence continuing South 00°48'26" West, 250.00 feet to a 1/2 inch iron rod (Survey 41-160); thence continuing along the West line of the CITY OF BATTLE GROUND TRACT South 00°44'55" West, 60.55 feet to a 1/2 inch iron rod (Survey 41-160) marking the Northeast corner of the BATTLE GROUND ASSOCIATES TRACT as described under Clark County Auditor's File No. 9106170021; thence North 89°22'24" West, 350.00 feet; thence North 00°47'46" East, 310.06 feet to the South line of the CITY OF BATTLE GROUND TRACT as described under Clark County Auditor's File No. 3126557; thence South 89°27'07" East, parallel with the North line of the Southeast quarter of Section 3, for a distance of 350.00 feet to the TRUE POINT OF BEGINNING.

EXCEPT that portion conveyed to the State of Washington under Auditor's File No. 4028442.

4676996 ADT
RecFee - $19.00 Pages: 8 - ANDERSON MCCOY & ORTA PC
Clark County, WA 06/29/2010 01:49

Prepared by and upon recordation, return to:

Name: VANESSA ORTA, ESQ.
ANDERSON, McCOY & ORTA, P.C.
Address: 100 North Broadway, Suite 2600
Oklahoma City, Oklahoma 73102
405-236-0003
AMO No. 3012.013
Custodian ID No. 10029000109
Account No. 311542
FDIC Control No. 911544932

DOCUMENT TITLE:

ASSIGNMENT OF REAL ESTATE DEED OF TRUST

REFERENCE NUMBER(S) OF DOCUMENTS ASSIGNED OR RELEASED:

#4087838

ASSIGNOR:

FEDERAL DEPOSIT CORPORATION AS RECEIVER FOR BANK OF CLARK COUNTY

ASSIGNEE:

MULTIBANK 2009-1 RES-ADC VENTURE, LLC

ABBREVIATED LEGAL DESCRIPTION (Lot, block, plat or section, township, range):

SECTION 3, TOWNSHIP 3, RANGE 2 EAST, COUNTY OF CLARK, STATE OF WASHINGTON

FULL LEGAL DESCRIPTION ON EXHIBIT "A" ATTACHED HERETO

ASSESSOR'S PROPERTY TAX PARCEL/ACCOUNT NUMBER:

091103-172 and 091103-173

Prepared by and upon recordation, return to:

Name: VANESSA ORTA, ESQ.
ANDERSON, McCOY & ORTA, P.C.
Address: 100 North Broadway, Suite 2600
Oklahoma City, Oklahoma 73102
405-236-0003
AMO No. 3012.013
Custodian ID No. 10029000109
Account No. 311542
FDIC Control No. 911544932

ASSIGNMENT OF REAL ESTATE DEED OF TRUST

KNOW ALL MEN BY THESE PRESENTS:

THAT, the **FEDERAL DEPOSIT INSURANCE CORPORATION** (acting in any capacity, the "FDIC") **AS RECEIVER FOR BANK OF CLARK COUNTY**, at 550 17th Street, NW, Washington, D.C. 20429-0002 (hereinafter referred to as "Assignor" or "Grantor"), for value received, does by these presents, grant, bargain, sell, assign, transfer and set over to **MULTIBANK 2009-1 RES-ADC VENTURE, LLC, a Delaware limited liability company**, its successors and assigns (hereinafter referred to as "Assignee" or "Grantee"), at 700 NW 107 Avenue, Suite 400, Miami, Florida 33172, all right, title and interest in and to that certain:

Deed of Trust executed by MARK HINTON AND JONI J. HINTON, HUSBAND AND WIFE, dated November 22, 2005, in the original principal sum of One Million Seven Hundred Sixty Thousand and 00/100 Dollars ($1,760,000.00) in favor of TRUSTEE SERVICES INC., Trustee for, and on behalf of, BANK OF CLARK COUNTY (the "Deed of Trust"), which was recorded on November 23, 2005, in the Clerk/Register's Office of Clark County, State of Washington ("Clerk/Register's Office"), as Document Number 4087838.

The Deed of Trust, as such may have been assigned and modified, covers the following described property, less and except any portion of the property previously released and/or reconveyed:

SEE ATTACHED EXHIBIT A

TO HAVE AND TO HOLD THE SAME UNTO SAID MULTIBANK 2009-1 RES-ADC VENTURE, LLC, ITS SUCCESSORS AND ASSIGNS.

THIS ASSIGNMENT IS MADE WITHOUT RECOURSE, REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, WRITTEN OR ORAL, BY THE FDIC AS RECEIVER FOR BANK OF CLARK COUNTY OR IN ITS CORPORATE CAPACITY. THE LOAN IS CONVEYED "AS IS" AND "WITH ALL FAULTS," WITHOUT ANY REPRESENTATION OR WARRANTY WHATSOEVER, INCLUDING AS TO COLLECTABILITY, ENFORCEABILITY, VALUE OF COLLATERAL, ABILITY OF ANY OBLIGOR TO REPAY, CONDITION, FITNESS FOR ANY PARTICULAR PURPOSE, MERCHANTABILITY OR ANY OTHER WARRANTY, EXPRESS OR IMPLIED, BY ANY PERSON, INCLUDING THE FDIC OR ITS OFFICERS EMPLOYEES, AGENTS OR CONTRACTORS.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, FEDERAL DEPOSIT INSURANCE CORPORATION AS RECEIVER FOR BANK OF CLARK COUNTY has caused this instrument to be executed this 1st day of March, 2010, effective as of the 9th day of February, 2010.

ASSIGNOR:

FEDERAL DEPOSIT INSURANCE CORPORATION AS RECEIVER FOR BANK OF CLARK COUNTY

By: Vanessa A. Orta
Name: Vanessa A. Orta
Title: Attorney-in-Fact

ACKNOWLEDGMENT

STATE OF OKLAHOMA)
) SS:
COUNTY OF OKLAHOMA)

On this 1st day of March, 2010, before me personally appeared Vanessa A. Orta, as Attorney-in-Fact for the FEDERAL DEPOSIT INSURANCE CORPORATION AS RECEIVER FOR BANK OF CLARK COUNTY known to me or proved to me on the basis of satisfactory evidence to be the person who executed the foregoing instrument, and she thereupon duly acknowledged to me that she executed the same to be her free act and deed.

WITNESS my hand and official seal.

Heather Scrimshire
Name of Notary:

My commission expires:

HEATHER SCRIMSHIRE NOTARY # 03001846 EXP. 03/04/11 PUBLIC STATE OF OKLAHOMA

EXHIBIT A

A portion of the Northwest quarter of the Southeast quarter of Section 3, Township 3 North, Range 2 East, Willamette Meridian, City of Battle Ground, Clark County, Washington, described as follows:

BEGINNING at a concrete monument with brass cap marking the Quarter corner between Sections 2 and 3; thence North 89°27'07" West, along the North line of the Southeast quarter of Section 3, for a distance of 1510.18 feet to a ½ inch iron rod as shown in Book 41 of Surveys at page 160, Clark County Auditor's Records, said point being the Northwest corner of the CITY OF BATTLE GROUND TRACT as described under Clark County Auditor's File No. 8811210044; thence South 00°48'26" West, along the West line of the CITY OF BATTLE GROUND TRACT, 829.40 feet to a ½ inch iron rod (Survey 41-160); thence continuing along the West line of the CITY OF BATTLE GROUND TRACT, South 00°44'55" West, 60.55 feet to a 1/2 inch iron rod (Survey 41-160) marking the Northeast corner of the BATTLE GROUND ASSOCIATES TRACT as described under Clark County Auditor's File No. 9106170021; thence North 89°22'24" West along the North line of the BATTLE GROUND ASSOCIATES TRACT, 350.00 feet to the TRUE POINT OF BEGINNING; thence continuing North 89°22'24" West 258.24 feet to a 1/2 inch iron rod (Survey 41-160) marking the Northwest corner of the BATTLE GROUND ASSOCIATES TRACT; thence South 00°34'33" West, 430.16 feet to a 1/2 inch iron rod (Survey 41-160) marking the Southwest corner of the BATTLE GROUND ASSOCIATES TRACT, said point also being at the Northwest corner of the BATTLE GROUND SCHOOL DISTRICT #119 TRACT as described under Clark County Auditor's File No. 8001080068; thence North 89°22'33" West, along the North line of the GARDNER TRACT as described under Clark County Auditor's File No. 9502140193, for a distance of 372.78 feet to a 1/2 inch iron rod (Survey 41-160) on the East right-of-way line of State Route 503 as shown on the Washington State Department of Transportation right-of-way and alignment plan dated June 4, 1994; thence North 00°54'57" East, along said East right-of-way line, 739.38 feet to the Southwest corner of the CITY OF BATTLE GROUND TRACT as described under Clark County Auditor's File No. 3126557; thence South 89°27'07" East, along the South line of the CITY OF BATTLE GROUND TRACT, 627.82 feet; thence South 00°47'46" West, 310.06 feet to the TRUE POINT OF BEGINNING..

AND a portion of the Northwest quarter of the Southeast quarter of Section 3, Township 3 North, Range 2 East, Willamette Meridian, City of Battle Ground, Clark County, Washington, . described as follows:

BEGINNING at a concrete monument with brass cap marking the Quarter corner between Sections 2 and 3; thence North 89°27'07" West, along the North line of the Southeast quarter of Section 3, for a distance of 1510.18 feet to a 1/2 inch iron rod as shown in Book 41 of Surveys at page 160, Clark County Auditor's Records, said point being the Northwest corner of the CITY OF BATTLE GROUND TRACT as described under Clark County Auditor's File No. 8811210044; thence South 00°48'26" West, along the West line of the CITY OF BATTLE GROUND TRACT, 579.40 feet to the TRUE POINT OF BEGINNING; thence continuing South 00°48'26" West, 250.00 feet to a 1/2 inch iron rod (Survey 41-160); thence continuing along the West line of the CITY OF BATTLE GROUND TRACT South 00°44'55" West, 60.55 feet to a 1/2 inch iron rod (Survey 41-160) marking the Northeast corner of the BATTLE GROUND ASSOCIATES TRACT as described under Clark County Auditor's File No. 9106170021; thence North 89°22'24" West, 350.00 feet; thence North 00°47'46" East, 310.06 feet to the South line of the CITY OF BATTLE GROUND TRACT as described under Clark County Auditor's File No. 3126557; thence South 89°27'07" East, parallel with the North line of the Southeast quarter of Section 3, for a distance of 350.00 feet to the TRUE POINT OF BEGINNING.

EXCEPT that portion conveyed to the State of Washington under Auditor's File No. 4028442.

5

4726645 ADT
RecFee - $20.00 Pages: 7 - FIDELITY NATIONAL TITLE
Clark County, WA 12/16/2010 11:25

Upon recordation, return to:
Christine A. Kosydar, Esq.
Stoel Rives LLP
900 Southwest Fifth Avenue
Suite 2600
Portland, Oregon 97204-1268
Account No. 311542
FDIC Control No. 911544932
Custodian ID No. 10029000109
AMO No. 3012.013
Quantum ID No. 7000053749

DOCUMENT TITLE(S):

ASSIGNMENT OF REAL ESTATE DEED OF TRUST
AFN 4722763 Re-Record to correct Grantor

GRANTOR/ASSIGNOR:

MULTIBANK 2009-1 RES-ADC VENTURE, LLC, a Delaware limited liability company

GRANTEE/ASSIGNEE:

RES-WASH ONE, LLC, a Florida limited liability company, its successors and assigns

BORROWER:

HINTON DEVELOPMENT CORPORATION

ABBREVIATED LEGAL DESCRIPTION:

SECTION 3, TOWNSHIP 3 NORTH, RANGE 2 EAST OF THE WILLAMETTE MERIDIAN, CITY OF BATTLEGROUND, CLARK COUNTY, WASHINGTON

Complete legal description is on Exhibit "A" attached hereto.

REFERENCE NUMBER(S) OF DOCUMENTS ASSIGNED OR RELEASED:

#4087838 and 4676996

ASSESSOR'S PROPERTY TAX PARCEL ACCOUNT NUMBER:

091103-172 and 091103-173

Note: This cover sheet is prepared to conform to the requirements of Chapter 143, Laws of 1996. Nothing on this sheet alters the names, legal description or other information in the attached document. The only purpose of this cover sheet is to assist the auditor in indexing the document in conformance with statute.

The Recorder will rely on the information provided on this form. The staff will not read the document to verify the accuracy or completeness of the indexing information provided herein.

Exhibit B
10-000000264

4722763 ADT
RecFee - $33.00 Pages: 6 - STOEL RIVES LLP
Clark County, WA 12/03/2010 11:02

Upon recordation, return to:
Christine A. Kosydar, Esq.
Stoel Rives LLP
900 Southwest Fifth Avenue
Suite 2600
Portland, Oregon 97204-1268
Account No. 311542
FDIC Control No. 911544932
Custodian ID No. 10029000109
AMO No. 3012.013
Quantum ID No. 7000053749

DOCUMENT TITLE(S):

ASSIGNMENT OF REAL ESTATE DEED OF TRUST

GRANTOR/ASSIGNOR:

MULTIBANK 2009-1 RES-ADC VENTURE, LLC, a Delaware limited liability company
~~MULTIBANK 2009-1 CML-ADC VENTURE, LLC, a Delaware limited liability company~~

GRANTEE/ASSIGNEE:

RES-WASH ONE, LLC, a Florida limited liability company, its successors and assigns

BORROWER:

HINTON DEVELOPMENT CORPORATION

ABBREVIATED LEGAL DESCRIPTION:

SECTION 3, TOWNSHIP 3 NORTH, RANGE 2 EAST OF THE WILLAMETTE MERIDIAN, CITY OF BATTLEGROUND, CLARK COUNTY, WASHINGTON

Complete legal description is on Exhibit "A" attached hereto.

REFERENCE NUMBER(S) OF DOCUMENTS ASSIGNED OR RELEASED:

#4087838 and 4676996

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Note: This cover sheet is prepared to conform to the requirements of Chapter 143, Laws of 1996. Nothing on this sheet alters the names, legal description or other information in the attached document. The only purpose of this cover sheet is to assist the auditor in indexing the document in conformance with statute.

The Recorder will rely on the information provided on this form. The staff will not read the document to verify the accuracy or completeness of the indexing information provided herein.

Upon recordation, return to:
Christine A. Kosydar, Esq.
Stoel Rives LLP
900 Southwest Fifth Avenue
Suite 2600
Portland, Oregon 97204-1268
Account No. 311542
FDIC Control No. 911544932
Custodian ID No. 10029000109
AMO No. 3012.013
Quantum ID No. 7000053749

ASSIGNMENT OF REAL ESTATE DEED OF TRUST

KNOW ALL MEN BY THESE PRESENTS:

THAT, **MULTIBANK 2009-1 RES-ADC VENTURE, LLC, a Delaware limited liability company,** at 700 NW 107 Avenue, Suite 200, Miami, Florida 33172 (hereinafter referred to as "**Assignor**" or "**Grantor**"), for value received, does by these presents, grant, bargain, sell, assign, transfer and set over to **RES-WASH ONE, LLC, a Florida limited liability company, its successors and assigns** (hereinafter referred to as "**Assignee**" or "**Grantee**"), at 700 NW 107 Avenue, Suite 200, Miami, Florida 33172, all right, title and interest in and to that certain:

DEED OF TRUST (as same may have been amended and assigned, the "**Deed of Trust**"), executed by MARK HINTON AND JONI J. HINTON, HUSBAND AND WIFE, dated November 22, 2005, in the original principal sum of One Million Seven Hundred Sixty Thousand and 00/100 Dollars ($1,760,000.00), in favor of TRUSTEE SERVICES INC., Trustee for, and on behalf of BANK OF CLARK COUNTY (the "**Initial Lender**"), which was recorded on November 23, 2005 in the Clerk/Register's Office of Clark County, State of Washington ("**Clerk/Register's Office**"), as Document Number 4087838.

Said instrument was previously assigned to Assignor by Assignment of record on June 29, 2010, as Document Number 4676996 of the Clerk/Register's Office.

The Deed of Trust, as such may have been assigned and modified, covers the following described property, less and except any portion of the property previously released and/or reconveyed:

SEE ATTACHED EXHIBIT A

TO HAVE AND TO HOLD THE SAME UNTO SAID RES-WASH ONE, LLC, ITS SUCCESSORS AND ASSIGNS.

THIS ASSIGNMENT IS MADE WITHOUT RECOURSE, REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, WRITTEN OR ORAL, BY THE ASSIGNOR. THE LOAN, AS ASSIGNED AND MODIFIED, IS CONVEYED "AS IS" AND "WITH ALL FAULTS," WITHOUT ANY REPRESENTATION OR WARRANTY WHATSOEVER, INCLUDING AS TO COLLECTABILITY, ENFORCEABILITY, VALUE OF COLLATERAL, ABILITY OF ANY OBLIGOR TO REPAY, CONDITION, FITNESS FOR ANY PARTICULAR PURPOSE, MERCHANTABILITY OR ANY OTHER WARRANTY, EXPRESS OR IMPLIED, BY ANY PERSON, INCLUDING ASSIGNOR OR ITS OFFICERS, EMPLOYEES, AGENTS OR CONTRACTORS.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, MULTIBANK 2009-1 RES-ADC VENTURE, LLC has caused this instrument to be executed this 23rd day of Sept., 2010.

ASSIGNOR:

Signed, sealed and delivered in the presence of:

MULTIBANK 2009-1 RES-ADC VENTURE, LLC, a Delaware limited liability company

By: **RL RES 2009-1 Investments, LLC,** a Delaware limited liability company, its Manager

By: **Rialto Capital Advisors, LLC,** a Delaware limited liability company, its attorney-in-fact

By: _____
Name: Doris Galczak
Title: Manager – Legal Entities

_____
Witness #1
Print Name: Felix Estrada

_____
Witness #2
Print Name: _____

ACKNOWLEDGMENT

STATE OF Florida)
) SS:
COUNTY OF Miami Dade)

On this 23rd day of Sept, 2010, before me personally appeared Doris Galczak, the Manager - Legal Entities of Rialto Capital Advisors, LLC, a Delaware limited liability company, the attorney-in-fact for RL RES 2009-1 Investments, LLC, a Delaware limited liability company, Manager of Multibank 2009-1 RES-ADC Venture, LLC, a Delaware limited liability company, known to me or proved to me on the basis of satisfactory evidence to be the person(s) who executed the foregoing instrument, and she thereupon duly acknowledged to me that she executed the same.

WITNESS my hand and official seal.

_____
Name of Notary: Karen Sonin

My commission expires:

KAREN SONIN
Notary Public - State of Florida
My Comm. Expires Jun 17, 2014
Commission # EE 2139

Exhibit B
10-000000268

Exhibit "A"
Legal Description

A portion of the Northwest quarter of the Southeast quarter of Section 3, Township 3 North, Range 2 East, Willamette Meridian, City of Battle Ground, Clark County, Washington, described as follows:

BEGINNING at a concrete monument with brass cap marking the Quarter corner between Sections 2 and 3; thence North 89°27'07" West, along the North line of the Southeast quarter of Section 3, for a distance of 1510.18 feet to a ½ inch iron rod as shown in Book 41 of Surveys at page 160, Clark County Auditor's Records, said point being the Northwest corner of the CITY OF BATTLE GROUND TRACT as described under Clark County Auditor's File No. 8811210044; thence South 00°48'26" West, along the West line of the CITY OF BATTLE GROUND TRACT, 829.40 feet to a ½ inch iron rod (Survey 41-160); thence continuing along the West line of the CITY OF BATTLE GROUND TRACT, South 00°44'55" West, 60.55 feet to a 1/2 inch iron rod (Survey 41-160) marking the Northeast corner of the BATTLE GROUND ASSOCIATES TRACT as described under Clark County Auditor's File No. 9108170021; thence North 89°22'24" West along the North line of the BATTLE GROUND ASSOCIATES TRACT, 350.00 feet to the TRUE POINT OF BEGINNING; thence continuing North 89°22'24" West 258.24 feet to a 1/2 inch iron rod (Survey 41-160) marking the Northwest corner of the BATTLE GROUND ASSOCIATES TRACT; thence South 00°34'33" West, 430.16 feet to a 1/2 inch iron rod (Survey 41-160) marking the Southwest corner of the BATTLE GROUND ASSOCIATES TRACT, said point also being at the Northwest corner of the BATTLE GROUND SCHOOL DISTRICT #119 TRACT as described under Clark County Auditor's File No. 8001080068; thence North 89°22'33" West, along the North line of the GARDNER TRACT as described under Clark County Auditor's File No. 9502140193, for a distance of 372.78 feet to a 1/2 inch iron rod (Survey 41-160) on the East right-of-way line of State Route 503 as shown on the Washington State Department of Transportation right-of-way and alignment plan dated June 4, 1994; thence North 00°54'57" East, along said East right-of-way line, 739.38 feet to the Southwest corner of the CITY OF BATTLE GROUND TRACT as described under Clark County Auditor's File No. 3126557; thence South 89°27'07" East, along the South line of the CITY OF BATTLE GROUND TRACT, 627.82 feet; thence South 00°47'46" West, 310.06 feet to the TRUE POINT OF BEGINNING..

AND a portion of the Northwest quarter of the Southeast quarter of Section 3, Township 3 North, Range 2 East, Willamette Meridian, City of Battle Ground, Clark County, Washington, described as follows:

Recorders Note
line on original doc

BEGINNING at a concrete monument with brass cap marking the Quarter corner between Sections 2 and 3; thence North 89°27'07" West, along the North line of the Southeast quarter of Section 3, for a distance of 1510.18 feet to a 1/2 inch iron rod as shown in Book 41 of Surveys at page 160, Clark County Auditor's Records, said point being the Northwest corner of the CITY OF BATTLE GROUND TRACT as described under Clark County Auditor's File No. 8811210044; thence South 00°48'26" West, along the West line of the CITY OF BATTLE GROUND TRACT, 579.40 feet to the TRUE POINT OF BEGINNING; thence continuing South 00°48'26" West, 250.00 feet to a 1/2 inch iron rod (Survey 41-160); thence continuing along the West line of the CITY OF BATTLE GROUND TRACT South 00°44'55" West, 60.55 feet to a 1/2 inch iron rod (Survey 41-160) marking the Northeast corner of the BATTLE GROUND ASSOCIATES TRACT as described under Clark County Auditor's File No. 9106170021; thence North 89°22'24" West, 350.00 feet; thence North 00°47'46" East, 310.06 feet to the South line of the CITY OF BATTLE GROUND TRACT as described under Clark County Auditor's File No. 3126557; thence South 89°27'07" East, parallel with the North line of the Southeast quarter of Section 3, for a distance of 350.00 feet to the TRUE POINT OF BEGINNING.

EXCEPT that portion conveyed to the State of Washington under Auditor's File No. 4028442.

Recorders Note
Illegible on original doc.

531 70286 COMMERCIAL GUARANTY 11/15/99

Principal	Loan Date	Maturity	Loan No	Call	Collateral	Account	Officer DMH	Initials

References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item.
Any item above containing "***" has been omitted due to text length limitations.

Borrower: Hinton Development Corporation (TIN: 91-1544932)
PO Box 70116/14014 NE 3rd Court, Suite A-106
Vancouver, WA 98665

Lender: Bank of Clark County
1400 Washington Street - Suite 200
PO Box 61725
Vancouver, WA 98666

Guarantor: Joni J. Hinton (SSN: 531-70-2869)
12405 NW 43rd Court
Vancouver, WA 98685

AMOUNT OF GUARANTY. The amount of this Guaranty is Unlimited.

CONTINUING UNLIMITED GUARANTY. For good and valuable consideration, Joni J. Hinton ("Guarantor") absolutely and unconditionally guarantees and promises to pay to Bank of Clark County ("Lender") or its order, in legal tender of the United States of America, the Indebtedness (as that term is defined below) of Hinton Development Corporation ("Borrower") to Lender on the terms and conditions set forth in this Guaranty. Under this Guaranty, the liability of Guarantor is unlimited and the obligations of Guarantor are continuing.

INDEBTEDNESS GUARANTEED. The Indebtedness guaranteed by this Guaranty includes any and all of Borrower Indebtedness to Lender and is used in the most comprehensive sense and means and includes any and all of Borrower's liabilities, obligations and debts to Lender, now existing or hereinafter incurred or created, including, without limitation, all loans, advances, interest, costs, debts, overdraft indebtedness, credit card indebtedness, lease obligations, other obligations, and liabilities of Borrower, or any of them, and any present or future judgments against Borrower, or any of them; and whether any such Indebtedness is voluntarily or involuntarily incurred, due or not due, absolute or contingent, liquidated or unliquidated, determined or undetermined; whether Borrower may be liable individually or jointly with others, or primarily or secondarily, or as guarantor or surety; whether recovery on the Indebtedness may be or may become barred or unenforceable against Borrower for any reason whatsoever; and whether the Indebtedness arises from transactions which may be voidable on account of infancy, insanity, ultra vires, or otherwise.

DURATION OF GUARANTY. This Guaranty will take effect when received by Lender without the necessity of any acceptance by Lender, or any notice to Guarantor or to Borrower, and will continue in full force until all Indebtedness incurred or contracted before receipt by Lender of any notice of revocation shall have been fully and finally paid and satisfied and all of Guarantor's other obligations under this Guaranty shall have been performed in full. If Guarantor elects to revoke this Guaranty, Guarantor may only do so in writing. Guarantor's written notice of revocation must be mailed to Lender, by certified mail, at Lender's address listed above or such other place as Lender may designate in writing. Written revocation of this Guaranty will apply only to advances or new Indebtedness created after actual receipt by Lender of Guarantor's written revocation. For this purpose and without limitation, the term "new Indebtedness" does not include Indebtedness which at the time of notice of revocation is contingent, unliquidated, undetermined or not due and which later becomes absolute, liquidated, determined or due. This Guaranty will continue to bind Guarantor for all Indebtedness incurred by Borrower or committed by Lender prior to receipt of Guarantor's written notice of revocation, including any extensions, renewals, substitutions or modifications of the Indebtedness. All renewals, extensions, substitutions, and modifications of the Indebtedness granted after Guarantor's revocation, are contemplated under this Guaranty and, specifically will not be considered to be new Indebtedness. This Guaranty shall bind Guarantor's estate as to Indebtedness created both before and after Guarantor's death or incapacity, regardless of Lender's actual notice of Guarantor's death. Subject to the foregoing, Guarantor's executor or administrator or other legal representative may terminate this Guaranty in the same manner in which Guarantor might have terminated it and with the same effect. Release of any other guarantor or termination of any other guaranty of the Indebtedness shall not affect the liability of Guarantor under this Guaranty. A revocation Lender receives from any one or more Guarantors shall not affect the liability of any remaining Guarantors under this Guaranty. It is anticipated that fluctuations may occur in the aggregate amount of Indebtedness covered by this Guaranty, and Guarantor specifically acknowledges and agrees that reductions in the amount of Indebtedness, even to zero dollars ($0.00), prior to Guarantor's written revocation of this Guaranty shall not constitute a termination of this Guaranty. This Guaranty is binding upon Guarantor and Guarantor's heirs, successors and assigns so long as any of the guaranteed Indebtedness remains unpaid and even though the Indebtedness guaranteed may from time to time be zero dollars ($0.00).

OBLIGATIONS OF MARRIED PERSONS. Any married person who signs this Guaranty hereby expressly agrees that recourse under this Guaranty may be had against both his or her separate property and community property.

GUARANTOR'S AUTHORIZATION TO LENDER. Guarantor authorizes Lender, either before or after any revocation hereof, without notice or demand and without lessening Guarantor's liability under this Guaranty, from time to time: (A) prior to revocation as set forth above, to make one or more additional secured or unsecured loans to Borrower, to lease equipment or other goods to Borrower, or otherwise to extend additional credit to Borrower; (B) to alter, compromise, renew, extend, accelerate, or otherwise change one or more times the time for payment or other terms of the Indebtedness or any part of the Indebtedness, including increases and decreases of the rate of interest on the Indebtedness; extensions may be repeated and may be for longer than the original loan term; (C) to take and hold security for the payment of this Guaranty or the Indebtedness, and exchange, enforce, waive, subordinate, fail or decide not to perfect, and release any such security, with or without the substitution of new collateral; (D) to release, substitute, agree not to sue, or deal with any one or more of Borrower's sureties, endorsers, or other guarantors on any terms or in any manner Lender may choose; (E) to determine how, when and what application of payments and credits shall be made on the Indebtedness (F) to apply such security and direct the order or manner of sale thereof, including without limitation, any nonjudicial sale permitted by the terms of the controlling security agreement or deed of trust, as Lender in its discretion may determine; (G) to sell, transfer, assign or grant participations in all or any part of the Indebtedness; and (H) to assign or transfer this Guaranty in whole or in part.

GUARANTOR'S REPRESENTATIONS AND WARRANTIES. Guarantor represents and warrants to Lender that (A) no representations or agreements of any kind have been made to Guarantor which would limit or qualify in any way the terms of this Guaranty; (B) this Guaranty is executed at Borrower's request and not at the request of Lender; (C) Guarantor has full power, right and authority to enter into this Guaranty; (D) the provisions of this Guaranty do not conflict with or result in a default under any agreement or other instrument binding upon Guarantor and do not result in a violation of any law, regulation, court decree or order applicable to Guarantor; (E) Guarantor has not and will not, without the prior written consent of Lender, sell, lease, assign, encumber, hypothecate, transfer, or otherwise dispose of all or substantially all of Guarantor's assets, or any interest therein; (F) upon Lender's request, Guarantor will provide to Lender financial and credit information in form acceptable to Lender, and all such financial information which currently has been, and all future financial information which will be provided to Lender is and will be true and correct in all material respects and fairly present Guarantor's financial condition as of the dates the financial information is provided; (G) no material adverse change has occurred in Guarantor's financial condition since the date of the most recent financial statements provided to Lender and no event has occurred which may materially adversely affect Guarantor's financial condition; (H) no litigation, claim, investigation, administrative proceeding or similar action (including those for unpaid taxes) against Guarantor is pending or threatened; (I) Lender has made no representation to Guarantor as to the creditworthiness of Borrower; and (J) Guarantor has established adequate means of obtaining from Borrower on a continuing basis information regarding Borrower's financial condition. Guarantor agrees to keep adequately informed from such means of any facts, events, or circumstances which might in any way affect Guarantor's risks under this Guaranty, and Guarantor further agrees that, absent a request for information, Lender shall have no obligation to disclose to Guarantor any information or documents acquired by Lender in the course of its relationship with Borrower.

GUARANTOR'S FINANCIAL STATEMENTS. Guarantor agrees to furnish Lender with the following:

(A) Annual Statements. As soon as available, but in no event later than ninety (90) days after the end of each fiscal year, Guarantor's balance sheet and income statement for the year ended, prepared by Guarantor.

(B) Tax Returns. As soon as available, but in no event later than ninety (90) days after the applicable filing date for the tax reporting period ended, Federal and other governmental tax returns, prepared by a certified public accountant satisfactory to Lender.

All financial reports required to be provided under this Guaranty shall be prepared in accordance with GAAP, applied on a consistent basis, and certified by Guarantor as being true and correct.

GUARANTOR'S WAIVERS. Except as prohibited by applicable law, Guarantor waives any right to require Lender (A) to continue lending money or to extend other credit to Borrower; (B) to make any presentment, protest, demand, or notice of any kind, including notice of any nonpayment of the Indebtedness or of any nonpayment related to any collateral, or notice of any action or nonaction on the part of Borrower, Lender, any surety, endorser, or other guarantor in connection with the Indebtedness or in connection with the creation of new or additional loans or obligations; (C) to resort for payment or to proceed directly or at once against any person, including Borrower or any other guarantor; (D) to proceed directly against or exhaust any collateral held by Lender from Borrower, any other guarantor, or any other person; (E) (F) to pursue any other remedy within Lender's power; or (G) to commit any act or omission of any kind, or at any time, with respect to any matter whatsoever.

Guarantor also waives any and all rights or defenses arising by reason of (A) any "one action" or "anti-deficiency" law or any other law which may prevent Lender from bringing any action, including a claim for deficiency, against Guarantor, before or after Lender's commencement or completion of any foreclosure action, either judicially or by exercise of a power of sale; (B) any election of remedies by Lender which destroys or otherwise adversely affects Guarantor's subrogation rights or Guarantor's rights to proceed against Borrower for reimbursement, including without limitation, any loss of rights Guarantor may suffer by reason of any law limiting, qualifying, or discharging the Indebtedness; (C) any disability or other defense of Borrower.

Exhibit B

of any other guarantor, or of any other person, or by reason of the cessation of Borrower's liability from any cause whatsoever, other than payment in full in legal tender, of the indebtedness; (D) any right to claim discharge of the indebtedness on the basis of unjustified impairment of any collateral for the indebtedness; (E) any statute of limitations, if at any time any action or suit brought by Lender against Guarantor is commenced there is outstanding indebtedness of Borrower to Lender which is not barred by any applicable statute of limitations; or (F) any defenses given to guarantors at law or in equity other than actual payment and performance of the indebtedness. If payment is made by Borrower, whether voluntarily or otherwise, or by any third party, on the indebtedness and thereafter Lender is forced to remit the amount of that payment to Borrower's trustee in bankruptcy or to any similar person under any federal or state bankruptcy law or law for the relief of debtors, the indebtedness shall be considered unpaid for the purpose of the enforcement of this Guaranty.

Guarantor further waives and agrees not to assert or claim at any time any deductions to the amount guaranteed under this Guaranty for any claim of setoff, counterclaim, counter demand, recoupment or similar right, whether such claim, demand or right may be asserted by the Borrower, the Guarantor, or both.

GUARANTOR'S UNDERSTANDING WITH RESPECT TO WAIVERS. Guarantor warrants and agrees that each of the waivers set forth above is made with Guarantor's full knowledge of its significance and consequences and that, under the circumstances, the waivers are reasonable and not contrary to public policy or law. If any such waiver is determined to be contrary to any applicable law or public policy, such waiver shall be effective only to the extent permitted by law or public policy.

SUBORDINATION OF BORROWER'S DEBTS TO GUARANTOR. Guarantor agrees that the indebtedness of Borrower to Lender, whether now existing or hereafter created, shall be superior to any claim that Guarantor may now have or hereafter acquire against Borrower, whether or not Borrower becomes insolvent. Guarantor hereby expressly subordinates any claim Guarantor may have against Borrower, upon any account whatsoever, to any claim that Lender may now or hereafter have against Borrower. In the event of insolvency and consequent liquidation of the assets of Borrower, through bankruptcy, by an assignment for the benefit of creditors, by voluntary liquidation, or otherwise, the assets of Borrower applicable to the payment of the claims of both Lender and Guarantor shall be paid to Lender and shall be first applied by Lender to the indebtedness of Borrower to Lender. Guarantor does hereby assign to Lender all claims which it may have or acquire against Borrower or against any assignee or trustee in bankruptcy of Borrower; provided however, that such assignment shall be effective only for the purpose of assuring to Lender full payment in legal tender of the indebtedness. If Lender so requests, any notes or credit agreements now or hereafter evidencing any debts or obligations of Borrower to Guarantor shall be marked with a legend that the same are subject to this Guaranty and shall be delivered to Lender. Guarantor agrees, and Lender is hereby authorized, in the name of Guarantor, from time to time to execute and file financing statements and continuation statements and to execute such other documents and to take such other actions as Lender deems necessary or appropriate to perfect, preserve and enforce its rights under this Guaranty.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Guaranty:

Amendments. This Guaranty, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Guaranty. No alteration of or amendment to this Guaranty shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Attorneys' Fees; Expenses. Guarantor agrees to pay upon demand all of Lender's costs and expenses, including Lender's attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Guaranty. Lender may hire or pay someone else to help enforce this Guaranty, and Guarantor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's attorneys' fees and legal expenses whether or not there is a lawsuit, including attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Guarantor also shall pay all court costs and such additional fees as may be directed by the court.

Caption Headings. Caption headings in this Guaranty are for convenience purposes only and are not to be used to interpret or define the provisions of this Guaranty.

Governing Law. This Guaranty will be governed by, construed and enforced in accordance with federal law and the laws of the State of Washington. This Guaranty has been accepted by Lender in the State of Washington.

Integration. Guarantor further agrees that Guarantor has read and fully understands the terms of this Guaranty; Guarantor has had the opportunity to be advised by Guarantor's attorney with respect to this Guaranty; the Guaranty fully reflects Guarantor's intentions and parol evidence is not required to interpret the terms of this Guaranty. Guarantor hereby indemnifies and holds Lender harmless from all losses, claims, damages, and costs (including Lender's attorneys' fees) suffered or incurred by Lender as a result of any breach by Guarantor of the warranties, representations and agreements of this paragraph.

Interpretation. In all cases where there is more than one Borrower or Guarantor, then all words used in this Guaranty in the singular shall be deemed to have been used in the plural where the context and construction so require; and where there is more than one Borrower named in this Guaranty or when this Guaranty is executed by more than one Guarantor, the words "Borrower" and "Guarantor" respectively shall mean all and any one or more of them. The words "Guarantor," "Borrower," and "Lender" include the heirs, successors, assigns, and transferees of each of them. If a court finds that any provision of this Guaranty is not valid or should not be enforced, that fact by itself will not mean that the rest of this Guaranty will not be valid or enforced. Therefore, a court will enforce the rest of the provisions of this Guaranty even if a provision of this Guaranty may be found to be invalid or unenforceable. If any one or more of Borrower or Guarantor are corporations, partnerships, limited liability companies, or similar entities, it is not necessary for Lender to inquire into the powers of Borrower or Guarantor or of the officers, directors, partners, managers, or other agents acting or purporting to act on their behalf, and any Loan Indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed under this Guaranty.

Notices. Subject to applicable law, and except for notice required or allowed by law to be given in another manner, any notice required to be given under this Guaranty shall be given in writing, and, except for revocation notices by Guarantor, shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Guaranty. All revocation notices by Guarantor shall be in writing and shall be effective upon delivery to Lender as provided in the section of this Guaranty entitled "DURATION OF GUARANTY." Any party may change its address for notices under this Guaranty by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Guarantor agrees to keep Lender informed at all times of Guarantor's current address. Subject to applicable law, and except for notice required or allowed by law to be given in another manner, if there is more than one Guarantor, any notice given by Lender to any Guarantor is deemed to be notice given to all Guarantors.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Guaranty unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Guaranty shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Guaranty. No prior waiver by Lender, nor any course of dealing between Lender and Guarantor, shall constitute a waiver of any of Lender's rights or of any of Guarantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Guaranty, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Successors and Assigns. Subject to any limitations stated in this Guaranty on transfer of Guarantor's interest, this Guaranty shall be binding upon and inure to the benefit of the parties, their successors and assigns.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Guaranty. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Guaranty shall have the meanings attributed to such terms in the Uniform Commercial Code:

Borrower. The word "Borrower" means Hinton Development Corporation, and all other persons and entities signing the Note in whatever capacity.

GAAP. The word "GAAP" means generally accepted accounting principles.

Guarantor. The word "Guarantor" means each and every person or entity signing this Guaranty, including without limitation Joni J. Hinton.

Guaranty. The word "Guaranty" means the guaranty from Guarantor to Lender, including without limitation a guaranty of all or part of the Note.

Indebtedness. The word "Indebtedness" means Borrower's indebtedness to Lender as more particularly described in this Guaranty.

Lender. The word "Lender" means Bank of Clark County, its successors and assigns.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the indebtedness.

GUARANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS COMMERCIAL GUARANTY AND GUARANTOR AGREES TO ITS TERMS. THIS COMMERCIAL GUARANTY IS DATED NOVEMBER 15, 1999.

GUARANTOR:

X
Joni J. Hinton, Individually

[illegible]

536720526

COMMERCIAL GUARANTY

7.28.05

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
				51 / 00	536720523	JMT	

References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item.
Any item above containing ***** has been omitted due to text length limitations.

Borrower: Hinton Development Corporation
14010 A NE 3rd Ct Suite 106
Vancouver, WA 98685

Lender: Bank of Clark County
1400 Washington St, Suite 200
PO Box 61725
Vancouver, WA 98666-1725

Guarantor: Mark Hinton
12405 NW 43rd Ct
Vancouver, WA 98685

AMOUNT OF GUARANTY. The amount of this Guaranty is Unlimited.

CONTINUING UNLIMITED GUARANTY. For good and valuable consideration, Mark Hinton ("Guarantor") absolutely and unconditionally guarantees and promises to pay to Bank of Clark County ("Lender") or its order, on demand, in legal tender of the United States of America, the Indebtedness (as that term is defined herein) of Hinton Development Corporation ("Borrower") to Lender on the terms and conditions set forth in this Guaranty. This Guaranty is a guaranty of payment and not a guaranty of collection. Under this Guaranty, the liability of Guarantor is unlimited and the obligations of Guarantor are continuing.

INDEBTEDNESS GUARANTEED. The Indebtedness guaranteed by this Guaranty includes any and all of Borrower's indebtedness to Lender and is used in the most comprehensive sense and means and includes any and all of Borrower's liabilities, obligations and debts to Lender, now existing or hereinafter incurred or created, including, without limitation, all loans, advances, interest, costs, debts, overdraft indebtedness, credit card indebtedness, lease obligations, other obligations, and liabilities of Borrower, or any of them, and any present or future judgments against Borrower, or any of them; and whether any such indebtedness is voluntarily or involuntarily incurred, due or not due, absolute or contingent, liquidated or unliquidated, determined or undetermined; whether Borrower may be liable individually or jointly with others, or primarily or secondarily, or as guarantor or surety; whether recovery on the indebtedness may be or may become barred or unenforceable against Borrower for any reason whatsoever; and whether the indebtedness arises from transactions which may be voidable on account of infancy, insanity, ultra vires, or otherwise.

DURATION OF GUARANTY. This Guaranty will take effect when received by Lender without the necessity of any acceptance by Lender, or any notice to Guarantor or to Borrower, and will continue in full force until all indebtedness incurred or contracted before receipt by Lender of any notice of revocation shall have been fully and finally paid and satisfied and all of Guarantor's other obligations under this Guaranty shall have been performed in full. If Guarantor elects to revoke this Guaranty, Guarantor may only do so in writing. Guarantor's written notice of revocation must be mailed to Lender, by certified mail, at Lender's address listed above or such other place as Lender may designate in writing. Written revocation of this Guaranty will apply only to advances or new indebtedness created after actual receipt by Lender of Guarantor's written revocation. For this purpose and without limitation, the term "new indebtedness" does not include indebtedness which at the time of notice of revocation is contingent, unliquidated, indetermined or not due and which later becomes absolute, liquidated, determined or due. This Guaranty will continue to bind Guarantor for all indebtedness incurred by Borrower or committed by Lender prior to receipt of Guarantor's written notice of revocation, including any extensions, renewals, substitutions or modifications of the indebtedness. All renewals, extensions, substitutions, and modifications of the indebtedness granted after Guarantor's revocation, are contemplated under this Guaranty and, specifically will not be considered to be new indebtedness. This Guaranty shall bind Guarantor's estate as to indebtedness created both before and after Guarantor's death or incapacity, regardless of Lender's actual notice of Guarantor's death. Subject to the foregoing, Guarantor's executor or administrator or other legal representative may terminate this Guaranty in the same manner in which Guarantor might have terminated it and with the same effect. Release of any other guarantor or termination of any other guaranty of the indebtedness shall not affect the liability of Guarantor under this Guaranty. A revocation Lender receives from any one or more Guarantors shall not affect the liability of any remaining Guarantors under this Guaranty. It is anticipated that fluctuations may occur in the aggregate amount of indebtedness covered by this Guaranty, and Guarantor specifically acknowledges and agrees that reductions in the amount of indebtedness, even to zero dollars ($0.00), prior to Guarantor's written revocation of this Guaranty shall not constitute a termination of this Guaranty. This Guaranty is binding upon Guarantor and Guarantor's heirs, successors and assigns so long as any of the guaranteed indebtedness remains unpaid and even though the indebtedness guaranteed may from time to time be zero dollars ($0.00).

OBLIGATIONS OF MARRIED PERSONS. Any married person who signs this Guaranty hereby expressly agrees that recourse under this Guaranty may be had against both his or her separate property and community property.

GUARANTOR'S AUTHORIZATION TO LENDER. Guarantor authorizes Lender, either before or after any revocation hereof, without notice or demand and without lessening Guarantor's liability under this Guaranty, from time to time: (A) prior to revocation as set forth above, to make one or more additional secured or unsecured loans to Borrower, to lease equipment or other goods to Borrower, or otherwise to extend additional credit to Borrower; (B) to alter, compromise, renew, extend, accelerate, or otherwise change one or more times the time for payment or other terms of the indebtedness or any part of the indebtedness, including increases and decreases of the rate of interest on the indebtedness; extensions may be repeated and may be for longer than the original loan term; (C) to take and hold security for the payment of this Guaranty or the indebtedness, and exchange, enforce, waive, subordinate, fail or decide not to perfect, and release any such security, with or without the substitution of new collateral; (D) to release, substitute, agree not to sue, or deal with any one or more of Borrower's sureties, endorsers, or other guarantors on any terms or in any manner Lender may choose; (E) to determine how, when and what application of payments and credits shall be made on the indebtedness; (F) to apply such security and direct the order or manner of sale thereof, including without limitation, any nonjudicial sale permitted by the terms of the controlling security agreement or deed of trust, as Lender in its discretion may determine; (G) to sell, transfer, assign or grant participations in all or any part of the indebtedness; and (H) to assign or transfer this Guaranty in whole or in part.

GUARANTOR'S REPRESENTATIONS AND WARRANTIES. Guarantor represents and warrants to Lender that (A) no representations or agreements of any kind have been made to Guarantor which would limit or qualify in any way the terms of this Guaranty; (B) this Guaranty is executed at Borrower's request and not at the request of Lender; (C) Guarantor has full power, right and authority to enter into this Guaranty; (D) the provisions of this Guaranty do not conflict with or result in a default under any agreement or other instrument binding upon Guarantor and do not result in a violation of any law, regulation, court decree or order applicable to Guarantor; (E) Guarantor has not and will not, without the prior written consent of Lender, sell, lease, assign, encumber, hypothecate, transfer, or otherwise dispose of all or substantially all of Guarantor's assets, or any interest therein; (F) upon Lender's request, Guarantor will provide to Lender financial and credit information in form acceptable to Lender, and all such financial information which currently has been, and all future financial information which will be provided to Lender is and will be true and correct in all material respects and fairly present Guarantor's financial condition as of the dates the financial information is provided; (G) no material adverse change has occurred in Guarantor's financial condition since the date of the most recent financial statements provided to Lender and no event has occurred which may materially adversely affect Guarantor's financial condition; (H) no litigation, claim, investigation, administrative proceeding or similar action (including those for unpaid taxes) against Guarantor is pending or threatened; (I) Lender has made no representation to Guarantor as to the creditworthiness of Borrower; and (J) Guarantor has established adequate means of obtaining from Borrower on a continuing basis information

Exhibit B
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regarding Borrower's financial condition. Guarantor agrees to keep adequately informed from such means of any facts, events, or circumstances which might in any way affect Guarantor's risks under this Guaranty, and Guarantor further agrees that, absent a request for information, Lender shall have no obligation to disclose to Guarantor any information or documents acquired by Lender in the course of its relationship with Borrower.

GUARANTOR'S FINANCIAL STATEMENTS. Guarantor agrees to furnish Lender with the following:

Annual Statements. As soon as available, but in no event later than thirty (30) days after the end of each fiscal year, Guarantor's balance sheet and income statement for the year ended, prepared by Guarantor.

Tax Returns. As soon as available, but in no event later than thirty (30) days after the applicable filing date for the tax reporting period ended, Federal and other governmental tax returns, prepared by a certified public accountant satisfactory to Lender.

All financial reports required to be provided under this Guaranty shall be prepared in accordance with GAAP, applied on a consistent basis, and certified by Guarantor as being true and correct.

GUARANTOR'S WAIVERS. Except as prohibited by applicable law, Guarantor waives any right to require Lender (A) to continue lending money or to extend other credit to Borrower; (B) to make any presentment, protest, demand, or notice of any kind, including notice of any nonpayment of the Indebtedness or of any nonpayment related to any collateral, or notice of any action or nonaction on the part of Borrower, Lender, any surety, endorser, or other guarantor in connection with the Indebtedness or in connection with the creation of new or additional loans or obligations; (C) to resort for payment or to proceed directly or at once against any person, including Borrower or any other guarantor; (D) to proceed directly against or exhaust any collateral held by Lender from Borrower, any other guarantor, or any other person; (E) to pursue any other remedy within Lender's power; or (F) to commit any act or omission of any kind, or at any time, with respect to any matter whatsoever.

In addition to the waivers set forth herein, if now or hereafter Borrower is or shall become insolvent and the Indebtedness shall not at all times until paid be fully secured by collateral pledged by Borrower, Guarantor hereby forever waives and gives up in favor of Lender and Borrower, and Lender's and Borrower's respective successors, any claim or right to payment Guarantor may now have or hereafter have or acquire against Borrower, by subrogation or otherwise, so that at no time shall Guarantor be or become a "creditor" of Borrower within the meaning of 11 U.S.C. section 547(b), or any successor provision of the Federal bankruptcy laws.

Guarantor also waives any and all rights or defenses based on suretyship or impairment of collateral including, but not limited to, any rights or defenses arising by reason of (A) any "one action" or "anti-deficiency" law or any other law which may prevent Lender from bringing any action, including a claim for deficiency, against Guarantor, before or after Lender's commencement or completion of any foreclosure action, either judicially or by exercise of a power of sale; (B) any election of remedies by Lender which destroys or otherwise adversely affects Guarantor's subrogation rights or Guarantor's rights to proceed against Borrower for reimbursement, including without limitation, any loss of rights Guarantor may suffer by reason of any law limiting, qualifying, or discharging the Indebtedness; (C) any disability or other defense of Borrower, of any other guarantor, or of any other person, or by reason of the cessation of Borrower's liability from any cause whatsoever, other than payment in full in legal tender, of the Indebtedness; (D) any right to claim discharge of the Indebtedness on the basis of unjustified impairment of any collateral for the Indebtedness; (E) any statute of limitations, if at any time any action or suit brought by Lender against Guarantor is commenced, there is outstanding Indebtedness of Borrower to Lender which is not barred by any applicable statute of limitations; or (F) any defenses given to guarantors at law or in equity other than actual payment and performance of the Indebtedness. If payment is made by Borrower, whether voluntarily or otherwise, or by any third party, on the Indebtedness and thereafter Lender is forced to remit the amount of that payment to Borrower's trustee in bankruptcy or to any similar person under any federal or state bankruptcy law or law for the relief of debtors, the Indebtedness shall be considered unpaid for the purpose of the enforcement of this Guaranty.

Guarantor further waives and agrees not to assert or claim at any time any deductions to the amount guaranteed under this Guaranty for any claim of setoff, counterclaim, counter demand, recoupment or similar right, whether such claim, demand or right may be asserted by the Borrower, the Guarantor, or both.

GUARANTOR'S UNDERSTANDING WITH RESPECT TO WAIVERS. Guarantor warrants and agrees that each of the waivers set forth above is made with Guarantor's full knowledge of its significance and consequences and that, under the circumstances, the waivers are reasonable and not contrary to public policy or law. If any such waiver is determined to be contrary to any applicable law or public policy, such waiver shall be effective only to the extent permitted by law or public policy.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Guarantor's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Guarantor holds jointly with someone else and all accounts Guarantor may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Guarantor authorizes Lender, to the extent permitted by applicable law, to hold these funds if there is a default, and Lender may apply the funds in these accounts to pay what Guarantor owes under the terms of this Guaranty.

SUBORDINATION OF BORROWER'S DEBTS TO GUARANTOR. Guarantor agrees that the Indebtedness of Borrower to Lender, whether now existing or hereafter created, shall be superior to any claim that Guarantor may now have or hereafter acquire against Borrower, whether or not Borrower becomes insolvent. Guarantor hereby expressly subordinates any claim Guarantor may have against Borrower, upon any account whatsoever, to any claim that Lender may now or hereafter have against Borrower. In the event of insolvency and consequent liquidation of the assets of Borrower, through bankruptcy, by an assignment for the benefit of creditors, by voluntary liquidation, or otherwise, the assets of Borrower applicable to the payment of the claims of both Lender and Guarantor shall be paid to Lender and shall be first applied by Lender to the Indebtedness of Borrower to Lender. Guarantor does hereby assign to Lender all claims which it may have or acquire against Borrower or against any assignee or trustee in bankruptcy of Borrower; provided however, that such assignment shall be effective only for the purpose of assuring to Lender full payment in legal tender of the Indebtedness. If Lender so requests, any notes or credit agreements now or hereafter evidencing any debts or obligations of Borrower to Guarantor shall be marked with a legend that the same are subject to this Guaranty and shall be delivered to Lender. Guarantor agrees, and Lender is hereby authorized, in the name of Guarantor, from time to time to file financing statements and continuation statements and to execute documents and to take such other actions as Lender deems necessary or appropriate to perfect, preserve and enforce its rights under this Guaranty.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Guaranty:

Amendments. This Guaranty, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Guaranty. No alteration of or amendment to this Guaranty shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Arbitration. Borrower and Guarantor and Lender agree that all disputes, claims and controversies between them whether individual, joint, or class in nature, arising from this Guaranty or otherwise, including without limitation contract and tort disputes, shall be arbitrated pursuant to the Rules of the American Arbitration Association in effect at the time the claim is filed, upon request of either party. No act to take or dispose of any Collateral shall constitute a waiver of this arbitration agreement or be prohibited by this arbitration agreement. This includes, without limitation, obtaining injunctive relief or a temporary restraining order; invoking a power of sale under any deed of trust or mortgage; obtaining a writ of attachment or imposition of a receiver; or exercising any rights relating to personal property, including taking or disposing of such property with or without judicial process pursuant to Article 9 of the Uniform Commercial Code. Any disputes, claims, or controversies concerning the lawfulness or reasonableness of an act, or exercise of any right, concerning any

agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

EACH UNDERSIGNED GUARANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS GUARANTY AND AGREES TO ITS TERMS. IN ADDITION, EACH GUARANTOR UNDERSTANDS THAT THIS GUARANTY IS EFFECTIVE UPON GUARANTOR'S EXECUTION AND DELIVERY OF THIS GUARANTY TO LENDER AND THAT THE GUARANTY WILL CONTINUE UNTIL TERMINATED IN THE MANNER SET FORTH IN THE SECTION TITLED "DURATION OF GUARANTY". NO FORMAL ACCEPTANCE BY LENDER IS NECESSARY TO MAKE THIS GUARANTY EFFECTIVE. THIS GUARANTY IS DATED JULY 28, 2005.

GUARANTOR:

X _____
Mark Hinton

LASER PRO Lending, Ver. 5.27 [illegible] Copr. Harland Financial Solutions, Inc. 1997, 2004 All Rights Reserved - WA H:\CFI\HNC\LN\CFI.FC TR-3124 PR-LOCUMSEC

912170076

COMMERCIAL GUARANTY

7.28.05

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
				51/.00	912170076	JMT	

References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item.
Any item above containing "***" has been omitted due to text length limitations.

Borrower: Hinton Development Corporation
14010 A NE 3rd Ct Suite 106
Vancouver, WA 98685

Lender: Bank of Clark County
1400 Washington St, Suite 200
PO Box 61725
Vancouver, WA 98666-1725

Guarantor: Hinton Industrial Contractors, Inc.
14010 A NE 3rd Ct Suite 106
Vancouver, WA 98685

AMOUNT OF GUARANTY. The amount of this Guaranty is Unlimited.

CONTINUING UNLIMITED GUARANTY. For good and valuable consideration, Hinton Industrial Contractors, Inc. ("Guarantor") absolutely and unconditionally guarantees and promises to pay to Bank of Clark County ("Lender") or its order, on demand, in legal tender of the United States of America, the Indebtedness (as that term is defined herein) of Hinton Development Corporation ("Borrower") to Lender on the terms and conditions set forth in this Guaranty. This Guaranty is a guaranty of payment and not a guaranty of collection. Under this Guaranty, the liability of Guarantor is unlimited and the obligations of Guarantor are continuing.

INDEBTEDNESS GUARANTEED. The Indebtedness guaranteed by this Guaranty includes any and all of Borrower's indebtedness to Lender and is used in the most comprehensive sense and means and includes any and all of Borrower's liabilities, obligations and debts to Lender, now existing or hereinafter incurred or created, including, without limitation, all loans, advances, interest, costs, debts, overdraft indebtedness, credit card indebtedness, lease obligations, other obligations, and liabilities of Borrower, or any of them, and any present or future judgments against Borrower, or any of them; and whether any such Indebtedness is voluntarily or involuntarily incurred, due or not due, absolute or contingent, liquidated or unliquidated, determined or undetermined; whether Borrower may be liable individually or jointly with others, or primarily or secondarily, or as guarantor or surety; whether recovery on the Indebtedness may be or may become barred or unenforceable against Borrower for any reason whatsoever; and whether the Indebtedness arises from transactions which may be voidable on account of infancy, insanity, ultra vires, or otherwise.

DURATION OF GUARANTY. This Guaranty will take effect when received by Lender without the necessity of any acceptance by Lender, or any notice to Guarantor or to Borrower, and will continue in full force until all Indebtedness incurred or contracted before receipt by Lender of any notice of revocation shall have been fully and finally paid and satisfied and all of Guarantor's other obligations under this Guaranty shall have been performed in full. If Guarantor elects to revoke this Guaranty, Guarantor may only do so in writing. Guarantor's written notice of revocation must be mailed to Lender, by certified mail, at Lender's address listed above or such other place as Lender may designate in writing. Written revocation of this Guaranty will apply only to advances or new Indebtedness created after actual receipt by Lender of Guarantor's written revocation. For this purpose and without limitation, the term "new Indebtedness" does not include Indebtedness which at the time of notice of revocation is contingent, unliquidated, indetermined or not due and which later becomes absolute, liquidated, determined or due. This Guaranty will continue to bind Guarantor for all Indebtedness incurred by Borrower or committed by Lender prior to receipt of Guarantor's written notice of revocation, including any extensions, renewals, substitutions or modifications of the Indebtedness. All renewals, extensions, substitutions, and modifications of the Indebtedness granted after Guarantor's revocation, are contemplated under this Guaranty and, specifically will not be considered to be new Indebtedness. This Guaranty shall bind Guarantor's estate as to Indebtedness created both before and after Guarantor's death or incapacity, regardless of Lender's actual notice of Guarantor's death. Subject to the foregoing, Guarantor's executor or administrator or other legal representative may terminate this Guaranty in the same manner in which Guarantor might have terminated it and with the same effect. Release of any other guarantor or termination of any other guaranty of the Indebtedness shall not affect the liability of Guarantor under this Guaranty. A revocation Lender receives from any one or more Guarantors shall not affect the liability of any remaining Guarantors under this Guaranty. It is anticipated that fluctuations may occur in the aggregate amount of Indebtedness covered by this Guaranty, and Guarantor specifically acknowledges and agrees that reductions in the amount of Indebtedness, even to zero dollars ($0.00), prior to Guarantor's written revocation of this Guaranty shall not constitute a termination of this Guaranty. This Guaranty is binding upon Guarantor and Guarantor's heirs, successors and assigns so long as any of the guaranteed Indebtedness remains unpaid and even though the Indebtedness guaranteed may from time to time be zero dollars ($0.00).

GUARANTOR'S AUTHORIZATION TO LENDER. Guarantor authorizes Lender, either before or after any revocation hereof, without notice or demand and without lessening Guarantor's liability under this Guaranty, from time to time: (A) prior to revocation as set forth above, to make one or more additional secured or unsecured loans to Borrower, to lease equipment or other goods to Borrower, or otherwise to extend additional credit to Borrower; (B) to alter, compromise, renew, extend, accelerate, or otherwise change one or more times the time for payment or other terms of the Indebtedness or any part of the Indebtedness, including increases and decreases of the rate of interest on the Indebtedness; extensions may be repeated and may be for longer than the original loan term; (C) to take and hold security for the payment of this Guaranty or the Indebtedness, and exchange, enforce, waive, subordinate, fail or decide not to perfect, and release any such security, with or without the substitution of new collateral; (D) to release, substitute, agree not to sue, or deal with any one or more of Borrower's sureties, endorsers, or other guarantors on any terms or in any manner Lender may choose; (E) to determine how, when and what application of payments and credits shall be made on the Indebtedness; (F) to apply such security and direct the order or manner of sale thereof, including without limitation, any nonjudicial sale permitted by the terms of the controlling security agreement or deed of trust, as Lender in its discretion may determine; (G) to sell, transfer, assign or grant participations in all or any part of the Indebtedness; and (H) to assign or transfer this Guaranty in whole or in part.

GUARANTOR'S REPRESENTATIONS AND WARRANTIES. Guarantor represents and warrants to Lender that (A) no representations or agreements of any kind have been made to Guarantor which would limit or qualify in any way the terms of this Guaranty; (B) this Guaranty is executed at Borrower's request and not at the request of Lender; (C) Guarantor has full power, right and authority to enter into this Guaranty; (D) the provisions of this Guaranty do not conflict with or result in a default under any agreement or other instrument binding upon Guarantor and do not result in a violation of any law, regulation, court decree or order applicable to Guarantor; (E) Guarantor has not and will not, without the prior written consent of Lender, sell, lease, assign, encumber, hypothecate, transfer, or otherwise dispose of all or substantially all of Guarantor's assets, or any interest therein; (F) upon Lender's request, Guarantor will provide to Lender financial and credit information in form acceptable to Lender, and all such financial information which currently has been, and all future financial information which will be provided to Lender is and will be true and correct in all material respects and fairly present Guarantor's financial condition as of the dates the financial information is provided; (G) no material adverse change has occurred in Guarantor's financial condition since the date of the most recent financial statements provided to Lender and no event has occurred which may materially adversely affect Guarantor's financial condition; (H) no litigation, claim, investigation, administrative proceeding or similar action (including those for unpaid taxes) against Guarantor is pending or threatened; (I) Lender has made no representation to Guarantor as to the creditworthiness of Borrower; and (J) Guarantor has established adequate means of obtaining from Borrower on a continuing basis information regarding Borrower's financial condition. Guarantor agrees to keep adequately informed from such means of any facts, events, or circumstances which might in any way affect Guarantor's risks under this Guaranty, and Guarantor further agrees that, absent a request for information, Lender shall have no obligation to disclose to Guarantor any information or documents acquired by Lender in the course of its relationship with Borrower.

Exhibit B

GUARANTOR'S FINANCIAL STATEMENTS. Guarantor agrees to furnish Lender with the following:

Annual Statements. As soon as available, but in no event later than thirty (30) days after the end of each fiscal year, Guarantor's balance sheet and income statement for the year ended, prepared by Guarantor.

Tax Returns. As soon as available, but in no event later than thirty (30) days after the applicable filing date for the tax reporting period ended, Federal and other governmental tax returns, prepared by a certified public accountant satisfactory to Lender.

All financial reports required to be provided under this Guaranty shall be prepared in accordance with GAAP, applied on a consistent basis, and certified by Guarantor as being true and correct.

GUARANTOR'S WAIVERS. Except as prohibited by applicable law, Guarantor waives any right to require Lender (A) to continue lending money or to extend other credit to Borrower; (B) to make any presentment, protest, demand, or notice of any kind, including notice of any nonpayment of the Indebtedness or of any nonpayment related to any collateral, or notice of any action or nonaction on the part of Borrower, Lender, any surety, endorser, or other guarantor in connection with the Indebtedness or in connection with the creation of new or additional loans or obligations; (C) to resort for payment or to proceed directly or at once against any person, including Borrower or any other guarantor; (D) to proceed directly against or exhaust any collateral held by Lender from Borrower, any other guarantor, or any other person; (E) to pursue any other remedy within Lender's power; or (F) to commit any act or omission of any kind, or at any time, with respect to any matter whatsoever.

In addition to the waivers set forth herein, if now or hereafter Borrower is or shall become insolvent and the Indebtedness shall not at all times until paid be fully secured by collateral pledged by Borrower, Guarantor hereby forever waives and gives up in favor of Lender and Borrower, and Lender's and Borrower's respective successors, any claim or right to payment Guarantor may now have or hereafter have or acquire against Borrower, by subrogation or otherwise, so that at no time shall Guarantor be or become a "creditor" of Borrower within the meaning of 11 U.S.C. section 547(b), or any successor provision of the Federal bankruptcy laws.

Guarantor also waives any and all rights or defenses based on suretyship or impairment of collateral including, but not limited to, any rights or defenses arising by reason of (A) any "one action" or "anti-deficiency" law or any other law which may prevent Lender from bringing any action, including a claim for deficiency, against Guarantor, before or after Lender's commencement or completion of any foreclosure action, either judicially or by exercise of a power of sale; (B) any election of remedies by Lender which destroys or otherwise adversely affects Guarantor's subrogation rights or Guarantor's rights to proceed against Borrower for reimbursement, including without limitation, any loss of rights Guarantor may suffer by reason of any law limiting, qualifying, or discharging the Indebtedness; (C) any disability or other defense of Borrower, of any other guarantor, or of any other person, or by reason of the cessation of Borrower's liability from any cause whatsoever, other than payment in full in legal tender, of the Indebtedness; (D) any right to claim discharge of the Indebtedness on the basis of unjustified impairment of any collateral for the Indebtedness; (E) any statute of limitations, if at any time any action or suit brought by Lender against Guarantor is commenced, there is outstanding Indebtedness of Borrower to Lender which is not barred by any applicable statute of limitations; or (F) any defenses given to guarantors at law or in equity other than actual payment and performance of the Indebtedness. If payment is made by Borrower, whether voluntarily or otherwise, or by any third party, on the Indebtedness and thereafter Lender is forced to remit the amount of that payment to Borrower's trustee in bankruptcy or to any similar person under any federal or state bankruptcy law or law for the relief of debtors, the Indebtedness shall be considered unpaid for the purpose of the enforcement of this Guaranty.

Guarantor further waives and agrees not to assert or claim at any time any deductions to the amount guaranteed under this Guaranty for any claim of setoff, counterclaim, counter demand, recoupment or similar right, whether such claim, demand or right may be asserted by the Borrower, the Guarantor, or both.

GUARANTOR'S UNDERSTANDING WITH RESPECT TO WAIVERS. Guarantor warrants and agrees that each of the waivers set forth above is made with Guarantor's full knowledge of its significance and consequences and that, under the circumstances, the waivers are reasonable and not contrary to public policy or law. If any such waiver is determined to be contrary to any applicable law or public policy, such waiver shall be effective only to the extent permitted by law or public policy.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Guarantor's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Guarantor holds jointly with someone else and all accounts Guarantor may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Guarantor authorizes Lender, to the extent permitted by applicable law, to hold these funds if there is a default, and Lender may apply the funds in these accounts to pay what Guarantor owes under the terms of this Guaranty.

SUBORDINATION OF BORROWER'S DEBTS TO GUARANTOR. Guarantor agrees that the Indebtedness of Borrower to Lender, whether now existing or hereafter created, shall be superior to any claim that Guarantor may now have or hereafter acquire against Borrower, whether or not Borrower becomes insolvent. Guarantor hereby expressly subordinates any claim Guarantor may have against Borrower, upon any account whatsoever, to any claim that Lender may now or hereafter have against Borrower. In the event of insolvency and consequent liquidation of the assets of Borrower, through bankruptcy, by an assignment for the benefit of creditors, by voluntary liquidation, or otherwise, the assets of Borrower applicable to the payment of the claims of both Lender and Guarantor shall be paid to Lender and shall be first applied by Lender to the Indebtedness of Borrower to Lender. Guarantor does hereby assign to Lender all claims which it may have or acquire against Borrower or against any assignee or trustee in bankruptcy of Borrower; provided however, that such assignment shall be effective only for the purpose of assuring to Lender full payment in legal tender of the Indebtedness. If Lender so requests, any notes or credit agreements now or hereafter evidencing any debts or obligations of Borrower to Guarantor shall be marked with a legend that the same are subject to this Guaranty and shall be delivered to Lender. Guarantor agrees, and Lender is hereby authorized, in the name of Guarantor, from time to time to file financing statements and continuation statements and to execute documents and to take such other actions as Lender deems necessary or appropriate to perfect, preserve and enforce its rights under this Guaranty.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Guaranty:

Amendments. This Guaranty, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Guaranty. No alteration of or amendment to this Guaranty shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Arbitration. Borrower and Guarantor and Lender agree that all disputes, claims and controversies between them whether individual, joint, or class in nature, arising from this Guaranty or otherwise, including without limitation contract and tort disputes, shall be arbitrated pursuant to the Rules of the American Arbitration Association in effect at the time the claim is filed, upon request of either party. No act to take or dispose of any Collateral shall constitute a waiver of this arbitration agreement or be prohibited by this arbitration agreement. This includes, without limitation, obtaining injunctive relief or a temporary restraining order; invoking a power of sale under any deed of trust or mortgage; obtaining a writ of attachment or imposition of a receiver; or exercising any rights relating to personal property, including taking or disposing of such property with or without judicial process pursuant to Article 9 of the Uniform Commercial Code. Any disputes, claims, or controversies concerning the lawfulness or reasonableness of any act, or exercise of any right, concerning any Collateral, including any claim to rescind, reform, or otherwise modify any agreement relating to the Collateral, shall also be arbitrated, provided however that no arbitrator shall have the right or the power to enjoin or restrain any act of any party. Judgment upon any award rendered by any arbitrator may be entered in any court having jurisdiction. Nothing in this Guaranty shall preclude any party from seeking equitable relief from a court of competent jurisdiction. The statute of limitations, estoppel, waiver, laches, and similar doctrines

Exhibit B

which would otherwise be applicable in an action brought by a party shall be applicable in any arbitration proceeding, and the commencement of an arbitration proceeding shall be deemed the commencement of an action for these purposes. The Federal Arbitration Act shall apply to the construction, interpretation, and enforcement of this arbitration provision.

Attorneys' Fees; Expenses. Guarantor agrees to pay upon demand all of Lender's costs and expenses, including Lender's attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Guaranty. Lender may hire or pay someone else to help enforce this Guaranty, and Guarantor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's attorneys' fees and legal expenses whether or not there is a lawsuit, including attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Guarantor also shall pay all court costs and such additional fees as may be directed by the court.

Caption Headings. Caption headings in this Guaranty are for convenience purposes only and are not to be used to interpret or define the provisions of this Guaranty.

Governing Law. This Guaranty will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Washington without regard to its conflicts of law provisions. This Guaranty has been accepted by Lender in the State of Washington.

Choice of Venue. If there is a lawsuit, Guarantor agrees upon Lender's request to submit to the jurisdiction of the courts of Clark County, State of Washington.

Integration. Guarantor further agrees that Guarantor has read and fully understands the terms of this Guaranty; Guarantor has had the opportunity to be advised by Guarantor's attorney with respect to this Guaranty; the Guaranty fully reflects Guarantor's intentions and parol evidence is not required to interpret the terms of this Guaranty. Guarantor hereby indemnifies and holds Lender harmless from all losses, claims, damages, and costs (including Lender's attorneys' fees) suffered or incurred by Lender as a result of any breach by Guarantor of the warranties, representations and agreements of this paragraph.

Interpretation. In all cases where there is more than one Borrower or Guarantor, then all words used in this Guaranty in the singular shall be deemed to have been used in the plural where the context and construction so require; and where there is more than one Borrower named in this Guaranty or when this Guaranty is executed by more than one Guarantor, the words "Borrower" and "Guarantor" respectively shall mean all and any one or more of them. The words "Guarantor," "Borrower," and "Lender" include the heirs, successors, assigns, and transferees of each of them. If a court finds that any provision of this Guaranty is not valid or should not be enforced, that fact by itself will not mean that the rest of this Guaranty will not be valid or enforced. Therefore, a court will enforce the rest of the provisions of this Guaranty even if a provision of this Guaranty may be found to be invalid or unenforceable. If any one or more of Borrower or Guarantor are corporations, partnerships, limited liability companies, or similar entities, it is not necessary for Lender to inquire into the powers of Borrower or Guarantor or of the officers, directors, partners, managers, or other agents acting or purporting to act on their behalf, and any indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed under this Guaranty.

Notices. Subject to applicable law, and except for notice required or allowed by law to be given in another manner, any notice required to be given under this Guaranty shall be given in writing, and, except for revocation notices by Guarantor, shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Guaranty. All revocation notices by Guarantor shall be in writing and shall be effective upon delivery to Lender as provided in the section of this Guaranty entitled "DURATION OF GUARANTY." Any party may change its address for notices under this Guaranty by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Guarantor agrees to keep Lender informed at all times of Guarantor's current address. Subject to applicable law, and except for notice required or allowed by law to be given in another manner, if there is more than one Guarantor, any notice given by Lender to any Guarantor is deemed to be notice given to all Guarantors.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Guaranty unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Guaranty shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Guaranty. No prior waiver by Lender, nor any course of dealing between Lender and Guarantor, shall constitute a waiver of any of Lender's rights or of any of Guarantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Guaranty, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Successors and Assigns. Subject to any limitations stated in this Guaranty on transfer of Guarantor's interest, this Guaranty shall be binding upon and inure to the benefit of the parties, their successors and assigns.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Guaranty. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Guaranty shall have the meanings attributed to such terms in the Uniform Commercial Code:

Borrower. The word "Borrower" means Hinton Development Corporation and includes all co-signers and co-makers signing the Note.

GAAP. The word "GAAP" means generally accepted accounting principles.

Guarantor. The word "Guarantor" means each and every person or entity signing this Guaranty, including without limitation Hinton Industrial Contractors, Inc..

Guaranty. The word "Guaranty" means the guaranty from Guarantor to Lender, including without limitation a guaranty of all or part of the Note.

Indebtedness. The word "Indebtedness" means Borrower's indebtedness to Lender as more particularly described in this Guaranty.

Lender. The word "Lender" means Bank of Clark County, its successors and assigns.

Note. The word "Note" means and includes without limitation all of Borrower's promissory notes and/or credit agreements evidencing Borrower's loan obligations in favor of Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of and substitutions for promissory notes or credit agreements.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

ACH UNDERSIGNED GUARANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS GUARANTY AND AGREES TO ITS TERMS. IN ADDITION, EACH GUARANTOR UNDERSTANDS THAT THIS GUARANTY IS EFFECTIVE UPON GUARANTOR'S EXECUTION AND DELIVERY OF THIS GUARANTY TO LENDER AND THAT THE GUARANTY WILL CONTINUE UNTIL TERMINATED IN THE MANNER SET FORTH IN THE SECTION TITLED "DURATION OF GUARANTY". NO FORMAL ACCEPTANCE BY LENDER IS NECESSARY TO MAKE THIS GUARANTY EFFECTIVE. THIS GUARANTY IS DATED JULY 28, 2005.

GUARANTOR:

HINTON INDUSTRIAL CONTRACTORS, INC.

By: _____
Mark Hinton, President/Secretary of Hinton Industrial Contractors, Inc.

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APPENDIX H

AFFIDAVIT OF MAILING
for
NOTICE OF TRUSTEE'S SALE AND
NOTICE OF FORECLOSURE
(CP-223-225)

AFFIDAVIT OF MAILING NOTICE OF TRUSTEE'S SALE AND NOTICE OF FORECLOSURE

STATE OF OREGON)
) ss.
County of Multnomah)

I, LINDA C. HOPKINS, being first duly sworn upon oath, depose, say and certify that:

At all times hereinafter mentioned, I was and am now a resident of the State of Oregon, a competent person over the age of eighteen years and not the beneficiary or its successor in interest named in the attached Notice of Trustee's Sale and Notice of Foreclosure given under the terms of that certain trust deed made, executed and delivered by Mark Hinton and Joni J. Hinton, husband and wife, as grantor, and Trustee Services Inc., as trustee, dated November 22, 2005, and recorded on November 23, 2005, under Auditor's File No. 4087838, records of Clark County, Washington (the "Deed of Trust"). The beneficial interest in said Deed of Trust was assigned to RES-WASH One, LLC, a Florida limited liability company, by various assignments (the "Assignments"), the most recent of which was recorded on December 3, 2010, under Auditor's File No. 4722763, in the records of Cowlitz County, Washington. (The Deed of Trust and the Assignments shall be collectively referred to as the "Deed of Trust.")

I gave Notice of Foreclosure and Notice of Trustee's Sale under the terms of the deed of trust securing the real property described in the attached Notices by mailing true copies thereof by both first class and certified mail, with return receipt requested, to the following persons, at his/her respective last known address, as follows:

NOTICE OF TRUSTEE'S SALE AND NOTICE OF FORECLOSURE TO:

HINTON DEVELOPMENT CORPORATION
14010 A NE 3rd Ct., Suite 106
Vancouver, WA 98685

HINTON DEVELOPMENT CORPORATION
c/o Mark Hinton, Reg. Agt.
14010-A NE 3rd Ct., Suite 106
Vancouver, WA 98685

MARK HINTON
12405 NW 43rd Court
Vancouver, WA 98685

JONI J. HINTON
12405 NW 43rd Court
Vancouver, WA 98685

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HINTON INDUSTRIAL CONTRACTORS, INC.
14010 A NE 3rd Ct., Suite 106
Vancouver, WA 98685

HINTON INDUSTRIAL CONTRACTORS, INC.
c/o Dennis E. Rugg, Reg. Agt.
14010 NE 3rd Ct., Suite A-106
Vancouver, WA 98685

Each of the Notices so mailed was a true copy of said Notice; and each said Notice was contained in a sealed envelope with postage thereon fully prepaid, and was deposited by our mail room staff personnel in the United States Post Office at Portland, Oregon, on February 24, 2011.

NOTICE OF TRUSTEE'S SALE ONLY TO:

COLUMBIA COMMUNITY CREDIT UNION
a/k/a Columbia Credit Union
PO Box 324
Vancouver, WA 98666

COLUMBIA COMMUNITY CREDIT UNION
a/k/a Columbia Credit Union
c/o Joseph Vance, Esq.
Miller Nash LLP
500 East Broadway, Suite 400
Vancouver, WA 98666

COLUMBIA COMMUNITY CREDIT UNION
a/k/a Columbia Credit Union
c/o J. Parker Cann, Reg. Agt.
703 Broadway, Suite 500
Vancouver, WA 98666

BENNER STANGE ASSOCIATES ARCHITECTS, INC.
c/o Harris Berne Christensen LLP
5000 SW Meadows Road, Suite 400
Lake Oswego, OR 97035

BENNER STANGE ASSOCIATES ARCHITECTS, INC.
c/o Scott C. Wyse, Reg. Agt.
621 SW Morrison Street, Suite 1300
Portland, OR 97205

BENNER STANGE ASSOCIATES ARCHITECTS, INC.
5000 SW Meadows Road, Suite 430
Lake Oswego, OR 97035

Each of the Notices so mailed was a true copy of said Notice; and each said Notice was contained in a sealed envelope with postage thereon fully prepaid, and was deposited by our mail room staff personnel in the United States Post Office at Portland, Oregon, on February 24, 2011.

DATED: February 24, 2011.

LINDA C. HOPKINS

SUBSCRIBED AND SWORN to before me this 24th day of February 2011.

OFFICIAL SEAL
CHRISTIE ELAINE JORDAN
NOTARY PUBLIC-OREGON
COMMISSION NO. 450747
MY COMMISSION EXPIRES SEPTEMBER 26, 2014

Printed name: Christie Elaine Jordan
Notary Public for the State of Oregon
Residing at: Molalla, OR
My commission expires: 9/26/14

70563471.1 0042617- 00033SFRs

Exhibit B
0-000000225

COURT OF APPEALS, DIVISION II

OF STATE OF WASHINGTON

RES-WASH ONE, LLC, a Florida limited liability company, Appellant, vs. MARK HINTON and JONI J. HINTON, husband and wife, and the marital community composed thereof; and HINTON INDUSTRIAL CONTRACTORS, INC., a Washington corporation, Respondents.	NO. 45605-2 CERTIFICATE OF SERVICE OF RESPONDENTS' BRIEF

THIS IS TO CERTIFY that on this 18th day of July, 2014, I did serve via US Postal Service, true and correct copies of Brief of Respondents Mark and Toni Hinton by addressing for delivery to the following:

D. Jeffrey Courser
Stoel Rives LLP
900 SW 5th Ave, Ste 2600
Portland, OR 97204-1229

Danny L. Hitt
Hitt Hiller Monfils Williams LLP
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ORIGINAL

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