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BOOK 131 PAGE 169

FILED FOR RECORD
SEATTLE, WASH
BY SKAMANIA CO. TITLE

AFTER RECORDING RETURN TO:
Cass-Washougal FSB Financial Center
PO Box 1033
Washougal, WA 98607
Attention: CAROL A LACKEY
Loan # 009-146-809490-146-00003-7

OWNER'S CHOICE DEED OF TRUST
(Washington) *J. Arden*

THIS DEED OF TRUST is between RUSSELL J GRATTAN AND JEANNETTE M ELLIS, HUSBAND AND WIFE and GARY H. OLSON
whose address is MP 0.98R RIVERSIDE DR, WASHOUGAL, WA 98671
(Grantor), SKAMANIA COUNTY TITLE, a WASHINGTON
corporation, the address of which is PO BOX 277, STEVENSON, WA 98648 ("Trustee"), and WASHINGTON

MUTUAL SAVINGS BANK, a Washington corporation, whose address is 1201 Third Avenue, Seattle, Washington 98101 ("Beneficiary")

1. **Granting Clause.** Grantor hereby grants, bargains, sells and conveys to Trustee in trust, with power of sale, the real property in SKAMANIA County, Washington, described below, and all rights and interest in it Grantor ever gets:
LOT 1, SUNSHINE ACRES, ACCORDING TO THE RECORDED PLAT
THEREOF, RECORDED IN BOOK "A" OF PLATS, PAGE 45, IN THE
COUNTY OF SKAMANIA, STATE OF WASHINGTON.

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together with all income, rents and profits from it, all plumbing, lighting, air conditioning and heating apparatus and equipment, and all fencing, blinds, drapes, floor coverings, built-in appliances, and other fixtures, at any time installed on or in or used in connection with such real property, all of which at the option of Beneficiary may be considered to be either personal property or to be part of the real estate.

All of the property described above will be called the "Property." If any of the Property is subject to the Uniform Commercial Code, this Deed of Trust is also a Security Agreement which grants Beneficiary, as secured party, a security interest in all such property.

2. **Obligation Secured.** This Deed of Trust is given to secure performance of each promise of Grantor contained herein or in an Owner's Choice Home Equity Line of Credit agreement with Beneficiary with a maximum credit limit of \$ 85,000.00 (the "Credit Agreement"), including any extensions, renewals or modifications thereof, and repayment of all sums borrowed by Grantor under the Credit Agreement, with interest from the date of each advance until paid at the rates provided therein. Under the Credit Agreement the Grantor may borrow, repay and re-borrow from time to time, up to the maximum credit limit stated above, and all such advances shall be secured by the lien of this Deed of Trust. This Deed of Trust also secures payment of certain fees and charges payable by Grantor under the Credit Agreement, certain fees and costs of Beneficiary as provided in Section 9 of this Deed of Trust, and repayment of money advanced by Beneficiary to protect the Property or Beneficiary's interest in the Property, including advances made pursuant to Section 6 below. All of this money is called the "Debt."

The Credit Agreement provides that unless sooner repaid, the Debt is due and payable in full thirty (30) years from the date of this Deed of Trust (the "Maturity Date"). The Credit Agreement further provides for a variable rate of interest and gives the borrower the option of selecting either of two monthly payment computation methods (and the option of switching back and forth between the two methods from time to time).

3. **Representations by Grantor.** Grantor represents that

- (a) Grantor is the owner of the Property, which is unencumbered except by easements, reservations, and restrictions of record not inconsistent with the intended use of the Property;
- (b) The Property is not used principally for agricultural or farming purposes; and
- (c) This Deed of Trust will, when recorded, constitute a valid first lien on the Property, subject only to the items referred to in Section 3 (a) above.

4. **Promises of Grantor.** Grantor promises:

- (a) To keep the Property in good repair and not to remove, alter or demolish any of the improvements on the Property without first obtaining Beneficiary's written consent.
- (b) To allow representatives of Beneficiary to inspect the Property at any reasonable hour, and to comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting the Property;
- (c) To pay on time all lawful taxes and assessments on the Property;
- (d) To see to it that this Deed of Trust remains a valid first lien on the Property subject only to the items referred to in Section 3 (a) above; and
- (e) To keep the improvements on the Property insured by a company satisfactory to Beneficiary against fire and extended coverage perils, and against such other risks as Beneficiary may reasonably require, in an amount equal to the full insurable value of the improvements, and to deliver evidence of such insurance coverage to Beneficiary. Beneficiary shall be named as the first loss payee on all such policies pursuant to a standard lender's loss payable clause.

5. **Transfer or Further Encumbrance of Property.**

5.1 Grantor agrees not to sell or transfer the Property or any interest therein without Beneficiary's prior written consent. Beneficiary will not unreasonably withhold its consent to a sale or transfer of the Property provided that: (i) the proposed transferee meets Beneficiary's customary standards of creditworthiness and Beneficiary's security would not otherwise be impaired on account of the transfer; (ii) Grantor or the proposed transferee pays Beneficiary, as consideration for Beneficiary's approval of the transfer, a transfer approval fee, the amount of which shall be determined by Beneficiary, in its sole discretion; and (iii) if so requested by Beneficiary, in its sole discretion, the transferee signs an assumption agreement, in form and substance acceptable to the Beneficiary, pursuant to which the transferee agrees to assume liability for repayment of the Debt. Beneficiary is not obligated to release the Grantor or any individual or entity who is then liable for repayment of the Debt, irrespective of whether the transferee has also assumed liability, and if not released in writing by Beneficiary, all persons and entities liable for repayment of the Debt immediately prior to the transfer shall remain liable, jointly and severally with each other and if applicable, the new transferee. In addition to the fee described in (ii) above, Beneficiary shall be entitled to reimbursement for all costs and expenses incurred in evaluating and processing any request for approval of a sale or transfer of the Property, irrespective of whether the request is granted.

Notwithstanding approval by Beneficiary of a sale or transfer of the Property, it is understood that borrowing privileges under the Credit Agreement are personal to the original borrowers, and any subsequent transferee of the Property may not obtain further advances pursuant to the Credit Agreement. All borrowing privileges under the Agreement shall cease and terminate effective as of the date of the first sale or transfer of the Property. Additionally, any rights under the Agreement to switch monthly payment computation methods shall cease and terminate effective as of the date of the first sale or transfer, and the payment computation method in effect at the time of the first sale or transfer shall remain in effect until the Debt is fully repaid.

5.2 Grantor additionally agrees not to permit the Property to be further encumbered by any mortgage, deed of trust, or other lien, whether the lien is voluntary or involuntary.

6. **Curing of Defaults.** If Grantor fails to comply with any of the covenants in Section 4, Beneficiary may take any action required to comply with any such covenants without waiving any other right or remedy it may have for Grantor's failure to comply. Repayment to Beneficiary of all the money spent by Beneficiary on behalf of Grantor shall be secured by this Deed of Trust. The amount spent shall bear interest at the rates from time to time applicable under the Credit Agreement and be repayable by Grantor on demand.

7. **Default; Sale.**

7.1 Prompt performance under this Deed of Trust is essential. If Grantor does not pay any installment of the Debt on time, or any other event occurs that entitles Beneficiary to declare the unpaid balance of the Debt due and payable in full under the Credit Agreement, the Debt and any other money whose repayment is secured by this Deed of Trust shall immediately become due and payable in full, at the option of the Beneficiary, and all unpaid principal will thereafter bear interest at the Default Rate specified in the Credit Agreement. In addition, Beneficiary shall be entitled to cause the Trustee to exercise the power of sale herein granted, and upon written request of Beneficiary, Trustee shall sell the Property in accordance with the Deed of Trust Act of the State of Washington, at public auction to the highest bidder. Any person except Trustee may bid at the Trustee's sale. Trustee shall apply the proceeds of the sale as follows: (i) to the expenses of the sale, including a reasonable trustee's fee and attorney's fee; (ii) to the obligations secured by this Deed of Trust; and (iii) the surplus, if any, shall be deposited with the Clerk of the Superior Court of the County in which the sale took place, to be distributed in accordance with RCW 61.24.080.

Trustee shall deliver to the purchaser at the sale its deed, without warranty, which shall convey to the purchaser the interest in the Property which Grantor had or had the power to convey at the time of execution of this Deed of Trust and any interest which Grantor subsequently acquired. The Trustee's deed shall recite the facts showing that the sale was conducted in compliance with all the requirements of law and of this Deed of Trust. This recital shall be prima facie evidence of such compliance and conclusive evidence of such compliance in favor of bona fide purchasers and encumbrancers for value.

7.2 The power of sale conferred by this Deed of Trust is not an exclusive remedy. Beneficiary may cause this Deed of Trust to be foreclosed as a mortgage or sue on the Credit Agreement according to law. In connection with any portion of the Property which is personal property, Beneficiary shall further be entitled to exercise the rights of a secured party under the Uniform Commercial Code as then in effect in the state of Washington.

7.3 By accepting payment of any sum secured by this Deed of Trust after its due date, Beneficiary does not waive its right to require prompt payment when due of all other sums so secured or to declare default for failure to so pay.

(See reverse side for other important terms)

8. **Condemnation; Eminent Domain.** In the event any portion of the Property is taken or damaged in an eminent domain proceeding, the entire amount of the award, or such portion as may be necessary to fully satisfy the Debt, shall be paid to Beneficiary and applied toward repayment of the Debt.

9. **Fees and Costs.** Grantor shall pay Beneficiary's and Trustee's reasonable cost of searching records, other reasonable expenses as allowed by law, and reasonable attorney's fees, in any lawsuit or other proceeding to foreclose this Deed of Trust, in any lawsuit or proceeding which Beneficiary or Trustee is obligated to prosecute or defend to protect the ten of this Deed of Trust, and, in any other action taken by Beneficiary to collect the Debt, including without limitation any disposition of the Property under the Uniform Commercial Code, and any action taken in bankruptcy proceedings, as well as any appellate proceedings.

10. **Reconveyance.** Trustee shall reconvey all or any part of the Property covered by this Deed of Trust to the person entitled thereto, on written request of Grantor and Beneficiary, or upon satisfaction of the obligations secured hereby and written request for reconveyance by Beneficiary or the person entitled thereto.

11. **Trustee; Successor Trustee.** In the event of the death, incapacity, disability or resignation of Trustee, Beneficiary shall appoint in writing a successor trustee, and upon the recording of such appointment in the mortgage records of the county in which this Deed of Trust is recorded, the successor trustee shall be vested with all powers of the original trustee. The Trustee is not obligated to notify any party hereto of a pending sale under any other deed of trust or of any action or proceeding in which Grantor, Trustee or Beneficiary shall be a party unless such action or proceeding is brought by the Trustee.

12. **Miscellaneous.** This Deed of Trust shall benefit and obligate the heirs, devisees, legatees, administrators, executors, successors, and assigns of the parties hereto. The words used in this Deed of Trust referring to one person shall be read to refer to more than one person if two or more have signed this Deed of Trust or become responsible for doing the things this Deed of Trust requires. This Deed of Trust shall be governed by and construed in accordance with the laws of the State of Washington. If any provision of this Deed of Trust is determined to be invalid, the remaining provisions of this Deed of Trust shall nonetheless remain in full force and effect.

13. **Exhibits and Riders.** The following exhibits and riders are attached to and made a part of this Deed of Trust _____

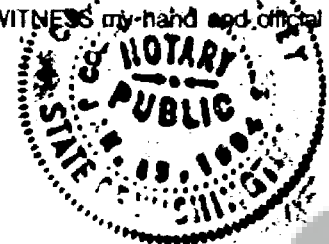
DATED at Washougal, Washington this 30th day of Sep., 19 92.

GRANTOR(S)
[Signature]
[Signature]

STATE OF WASHINGTON }
COUNTY OF Clark } ss.

On this day personally appeared before me RUSSELL J GRATTAN and JEANNETTE M ELLIS to me known to be the individuals described in and who executed the within and foregoing instrument, and acknowledged that they signed the same as their free and voluntary act and deed, for the uses and purposes therein mentioned.

WITNESS my hand and official seal this 30th day of September, 19 92.



[Signature]
Notary Public in and for the state of Washington,
residing at Washougal
My appointment expires 01-15-94

REQUEST FOR FULL RECONVEYANCE
Do not record. To be used only when Grantor's indebtedness has been repaid and Credit Agreement cancelled.

TO: **TRUSTEE**

The undersigned is Beneficiary of the within Deed of Trust, and the legal owner and holder of the Owner's Choice Home Equity Line of Credit Agreement secured thereby. Said Deed of Trust is hereby surrendered to you for reconveyance and you are requested, upon payment of all sums owing to you, to reconvey, without warranty, to the person(s) entitled thereto, the right, title and interest now held by you thereunder.

DATED _____, 19 _____ WASHINGTON MUTUAL SAVINGS BANK

By _____
its _____

Mail reconveyance to _____