

Loan #:01-973-504469-8

AFTER RECORDING, MAIL TO:

WASHINGTON MUTUAL,
Loan Review
P.O. Box 91006, SAS0304

Seattle, WA 98111

FILED FOR RECORD
SKAMANIA CO. WASH
BY SKAMANIA CO. TITLE

MAY 5 11 07 AM '95

O. Lowry
AUDITOR
GARY H. OLSON

SR 19274
Mortgage ID #: 55017 0003 7

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FHA Case No.

5690360309-703

State of Washington

122240

DEED OF TRUST

BOOK 149 PAGE 709

THIS DEED OF TRUST (Security Instrument) is made on May 1st
1995. The grantor is ANNA MARIE MCKENZIE, an unmarried individual

WASHINGTON (Borrower). The trustee is SKAMANIA COUNTY TITLE COMPANY, a
~~WASHINGTON MUTUAL~~ Corporation (Trustee). The beneficiary is
WASHINGTON MUTUAL BANK, which is organized
and existing under the laws of Washington, and whose address is
1201 THIRD AVENUE, SEATTLE, WA 98101 (Lender). Borrower owes Lender the
principal sum of FIFTY-EIGHT THOUSAND EIGHT HUNDRED FORTY-FOUR & 00/100---

Dollars (U.S. \$58,844.00). This debt is evidenced by Borrower's note dated the same date as this Security
Instrument ("Note"), which provides for monthly payments, with the full debt, if not paid earlier, due and payable on
June 1st, 2025. This Security Instrument secures to Lender: (a) the repayment of the debt evidenced
by the Note, with interest, and all renewals, extensions and modifications; (b) the payment of all other sums, with interest,
advanced under paragraph 6 to protect the security of this Security Instrument; and (c) the performance of Borrower's
covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower irrevocably grants and
conveys to Trustee, in trust, with power of sale, the following described property located in SKAMANIA
County, Washington: LOTS 1 AND 2, BLOCK 2, BAUGESS AND COLE ADDITION TO NORTH
BONNEVILLE, ACCORDING TO THE RECORDED PLAT THEREOF, RECORDED IN BOOK A OF PLATS,
PAGE 107, IN THE COUNTY OF SKAMANIA, STATE OF WASHINGTON.

Registered	<input checked="" type="checkbox"/>
Indexed, Dir	<input checked="" type="checkbox"/>
Indirect	<input checked="" type="checkbox"/>
Filmed	<input type="checkbox"/>
Mailed	<input type="checkbox"/>

which has the address of 3 LOOK-IN LANE, NORTH BONNEVILLE
Washington 98639 (Property Address);
[Zip Code]

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, rights,
appurtenances, rents, royalties, mineral, oil and gas rights and profits, water rights and stock and all fixtures now or hereafter
a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing
is referred to in this Security Instrument as the "Property."

BORROWER COVENANTS that Borrower is lawfully seized of the estate hereby conveyed and has the right to grant and
convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will
defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

1. Payment of Principal, Interest and Late Charge. Borrower shall pay when due the principal of, and interest on,
the debt evidenced by the Note and late charges due under the Note.

2. Monthly Payments of Taxes, Insurance and Other Charges. Borrower shall include in each monthly payment,
together with the principal and interest as set forth in the Note and any late charges, an installment of any (a) taxes and
special assessments levied or to be levied against the Property, (b) leasehold payments or ground rents on the Property, and
(c) premiums for insurance required by paragraph 4.

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Each monthly installment for items (a), (b), and (c) shall equal one-twelfth of the annual amounts, as reasonably estimated by Lender, plus an amount sufficient to maintain an additional balance of not more than one-sixth of the estimated amounts. The full annual amount for each item shall be accumulated by Lender within a period ending one month before an item would become delinquent. Lender shall hold the amounts collected in trust to pay items (a), (b), and (c) before they become delinquent.

If at any time the total of the payments held by Lender for items (a), (b), and (c), together with the future monthly payments for such items payable to Lender prior to the due dates of such items, exceeds by more than one-sixth the estimated amount of payments required to pay such items when due, and if payments on the Note are current, then Lender shall either refund the excess over one-sixth of the estimated payments or credit the excess over one-sixth of the estimated payments to subsequent payments by Borrower, at the option of Borrower. If the total of the payments made by Borrower for item (a), (b), or (c) is insufficient to pay the item when due, then Borrower shall pay to Lender any amount necessary to make up the deficiency on or before the date the item becomes due.

As used in this Security Instrument, "Secretary" means the Secretary of Housing and Urban Development or his or her designee. In any year in which the Lender must pay a mortgage insurance premium to the Secretary, each monthly payment shall also include either: (i) an installment of the annual mortgage insurance premium to be paid by Lender to the Secretary, or (ii) a monthly charge instead of a mortgage insurance premium if this Security Instrument is held by the Secretary. Each monthly installment of the mortgage insurance premium shall be in an amount sufficient to accumulate the full annual mortgage insurance premium with Lender one month prior to the date the full annual mortgage insurance premium is due to the Secretary, or if this Security Instrument is held by the Secretary, each monthly charge shall be in an amount equal to one-twelfth of one-half percent of the outstanding principal balance due on the Note.

If Borrower tenders to Lender the full payment of all sums secured by this Security Instrument, Borrower's account shall be credited with the balance remaining for all installments for items (a), (b), and (c) and any mortgage insurance premium installment that Lender has not become obligated to pay to the Secretary, and Lender shall promptly refund any excess funds to Borrower. Immediately prior to a foreclosure sale of the Property or its acquisition by Lender, Borrower's account shall be credited with any balance remaining for all installments for items (a), (b), and (c).

3. Application of Payments. All payments under Paragraphs 1 and 2 shall be applied by Lender as follows:

First, to the mortgage insurance premium to be paid by Lender to the Secretary or to the monthly charge by the Secretary instead of the monthly mortgage insurance premium;

Second, to any taxes, special assessments, leasehold payments or ground rents, and fire, flood and other hazard insurance premiums, as required;

Third, to interest due under the Note;

Fourth, to amortization of the principal of the Note;

Fifth, to late charges due under the Note.

4. Fire, Flood and Other Hazard Insurance. Borrower shall insure all improvements on the Property, whether now in existence or subsequently erected, against any hazards, casualties, and contingencies, including fire, for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. Borrower shall also insure all improvements on the Property, whether now in existence or subsequently erected, against loss by floods to the extent required by the Secretary. All insurance shall be carried with companies approved by Lender. The insurance policies and any renewals shall be held by Lender and shall include loss payable clauses in favor of, and in a form acceptable to, Lender.

In the event of loss, Borrower shall give Lender immediate notice by mail. Lender may make proof of loss if not made promptly by Borrower. Each insurance company concerned is hereby authorized and directed to make payment for such loss directly to Lender, instead of to Borrower and to Lender jointly. All or any part of the insurance proceeds may be applied by Lender, at its option, either (a) to the reduction of the indebtedness under the Note and this Security Instrument, first to any delinquent amounts applied in the order in Paragraph 3, and then to prepayment of principal, or (b) to the restoration or repair of the damaged property. Any application of the proceeds to the principal shall not extend or postpone the due date of the monthly payments which are referred to in Paragraph 2, or change the amount of such payments. Any excess insurance proceeds over an amount required to pay all outstanding indebtedness under the Note and this Security Instrument shall be paid to the entity legally entitled thereto.

In the event of foreclosure of this Security Instrument or other transfer of title to the Property that extinguishes the indebtedness, all right, title and interest of Borrower in and to insurance policies in force shall pass to the purchaser.

5. Occupancy, Preservation, Maintenance and Protection of the Property, Borrower's Loan Application; Leaseholds. Borrower shall occupy, establish, and use the Property as Borrower's principal residence within sixty days after the execution of this Security Instrument and shall continue to occupy the Property as Borrower's principal residence for at least one year after the date of occupancy, unless the Secretary determines this requirement will cause undue hardship for Borrower, or unless extenuating circumstances exist which are beyond Borrower's control. Borrower shall notify Lender of any extenuating circumstances. Borrower shall not commit waste or destroy, damage or substantially change the Property or allow the Property to deteriorate, reasonable wear and tear excepted. Lender may inspect the property if the property is vacant or abandoned or the loan is in default. Lender may take reasonable action to protect and preserve such vacant or abandoned property. Borrower shall also be in default if Borrower, during the loan application process, gave materially false or inaccurate information or statements to Lender (or failed to provide Lender with any material information) in connection with the loan evidenced by the Note, including, but not limited to, representations concerning Borrower's occupancy of the Property as a principal residence. If this Security Instrument is on a leasehold, Borrower shall comply with the provisions of the lease. If this Security Instrument is on a leasehold, Borrower shall comply with the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and fee title shall not be merged unless Lender agrees to the merger in writing.

6. Charges to Borrower and Protection of Lender's Rights in the Property. Borrower shall pay all governmental or municipal charges, fines and impositions that are not included in Paragraph 2. Borrower shall pay these obligations on time directly to the entity which is owed the payment. If failure to pay would adversely affect Lender's interest in the Property, upon Lender's request Borrower shall promptly furnish to Lender receipts evidencing these payments.

If Borrower fails to make these payments or the payments required by Paragraph 2, or fails to perform any other covenants and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, for condemnation or to enforce laws or regulations), then Lender may do and pay whatever is necessary to protect the value of the Property and Lender's rights in the Property, including payment of taxes, hazard insurance and other items mentioned in Paragraph 2.

Any amounts disbursed by Lender under this Paragraph shall become an additional debt of Borrower and be secured by this Security Instrument. These amounts shall bear interest from the date of disbursement, at the Note rate, and at the option of Lender, shall be immediately due and payable.

7. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for conveyance in place of condemnation, are hereby assigned and shall be paid to Lender to the extent of the full amount of the indebtedness that remains unpaid under the Note and this Security Instrument. Lender shall apply such proceeds to the reduction of the indebtedness under the Note and this Security Instrument, first to any delinquent amounts applied in the order provided in Paragraph 3, and then to prepayment of principal. Any application of the proceeds to the principal shall not extend or postpone the due date of the monthly payments, which are referred to in Paragraph 2, or change the amount of such payments. Any excess proceeds over an amount required to pay all outstanding indebtedness under the Note and this Security Instrument shall be paid to the entity legally entitled thereto.

8. Fees. Lender may collect fees and charges authorized by the Secretary.

9. Grounds for Acceleration of Debt.

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(a) **Default.** Lender may, except as limited by regulations issued by the Secretary in the case of payment defaults, require immediate payment in full of all sums secured by this Security Instrument if:

(i) Borrower defaults by failing to pay in full any monthly payment required by this Security Instrument prior to or on the due date of the next monthly payment, or

(ii) Borrower defaults by failing, for a period of thirty days, to perform any other obligations contained in this Security Instrument.

(b) **Sale Without Credit Approval.** Lender shall, if permitted by applicable law and with the prior approval of the Secretary, require immediate payment in full of all the sums secured by this Security Instrument if:

(i) All or part of the Property, or a beneficial interest in a trust owning all or part of the Property, is sold or otherwise transferred (other than by devise or descent) by the Borrower, and

(ii) The Property is not occupied by the purchaser or grantee as his or her principal residence, or the purchaser or grantee does so occupy the Property, but his or her credit has not been approved in accordance with the requirements of the Secretary.

(c) **No Waiver.** If circumstances occur that would permit Lender to require immediate payment in full, but Lender does not require such payments, Lender does not waive its rights with respect to subsequent events.

(d) **Regulations of HUD Secretary.** In many circumstances regulations issued by the Secretary will limit Lender's rights in the case of payment defaults to require immediate payment in full and foreclose if not paid. This Security Instrument does not authorize acceleration or foreclosure if not permitted by regulations of the Secretary.

(e) **Mortgage Not Insured.** Borrower agrees that should this Security Instrument and the note secured thereby not be eligible for insurance under the National Housing Act within eight months from the date hereof, Lender may, at its option and notwithstanding anything in Paragraph 9, require immediate payment in full of all sums secured by this Security Instrument. A written statement of any authorized agent of the Secretary dated subsequent to eight months from the date hereof, declining to insure this Security Instrument and the note secured thereby, shall be deemed conclusive proof of such ineligibility. Notwithstanding the foregoing, this option may not be exercised by Lender when the unavailability of insurance is solely due to Lender's failure to remit a mortgage insurance premium to the Secretary.

10. **Reinstatement.** Borrower has a right to be reinstated if Lender has required immediate payment in full because of Borrower's failure to pay an amount due under the Note or this Security Instrument. This right applies even after foreclosure proceedings are instituted. To reinstate the Security Instrument, Borrower shall tender in a lump sum all amounts required to bring Borrower's account current including, to the extent they are obligations of Borrower under this Security Instrument, foreclosure costs and reasonable and customary attorneys' fees and expenses properly associated with the foreclosure proceeding. Upon reinstatement by Borrower, this Security Instrument and the obligations that it secures shall remain in effect as if Lender had not required immediate payment in full. However, Lender is not required to permit reinstatement if: (i) Lender has accepted reinstatement after the commencement of foreclosure proceedings within two years immediately preceding the commencement of a current foreclosure proceeding, (ii) reinstatement will preclude foreclosure on different grounds in the future, or (iii) reinstatement will adversely affect the priority of the lien created by this Security Instrument.

11. **Borrower Not Released; Forbearance by Lender Not a Waiver.** Extension of the time of payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to any successor in interest of Borrower shall not operate to release the liability of the original Borrower or Borrower's successor in interest. Lender shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or Borrower's successors in interest. Any forbearance by Lender in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

12. **Successors and Assigns Bound; Joint and Several Liability; Co-Signers.** The covenants and agreements of this Security Instrument shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of Paragraph 9.b. Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this Security Instrument but does not execute the Note: (a) is co-signing this Security Instrument only to mortgage, grant and convey that Borrower's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower may agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without that Borrower's consent.

13. **Notices.** Any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Property Address or any other address Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address stated herein or any address Lender designates by notice to Borrower. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given as provided in this paragraph.

14. **Governing Law; Severability.** This Security Instrument shall be governed by Federal law and the law of the jurisdiction in which the Property is located. In the event that any provision or clause of this Security Instrument or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision. To this end the provisions of this Security Instrument and the Note are declared to be severable.

15. **Borrower's Copy.** Borrower shall be given one conformed copy of this Security Instrument.

16. **Assignment of Rents.** Borrower unconditionally assigns and transfers to Lender all the rents and revenues of the Property. Borrower authorizes Lender or Lender's agents to collect the rents and revenues and hereby directs each tenant of the Property to pay the rents to Lender or Lender's agents. However, prior to Lender's notice to Borrower of Borrower's breach of any covenant or agreement in the Security Instrument, Borrower shall collect and receive all rents and revenues of the Property as trustee for the benefit of Lender and Borrower. This assignment of rents constitutes an absolute assignment and not an assignment for additional security only.

If Lender gives notice of breach to Borrower: (a) all rents received by Borrower shall be held by Borrower as trustee for benefit of Lender only, to be applied to the sums secured by the Security Instrument; (b) Lender shall be entitled to collect and receive all of the rents of the Property; and (c) each tenant of the Property shall pay all rents due and unpaid to Lender or Lender's agent on Lender's written demand to the tenant.

Borrower has not executed any prior assignment of the rents and has not and will not perform any act that would prevent Lender from exercising its rights under this Paragraph 16.

Lender shall not be required to enter upon, take control of or maintain the Property before or after giving notice of breach to Borrower. However, Lender or a judicially appointed receiver may do so at any time there is a breach. Any application of rents shall not cure or waive any default or invalidate any other right or remedy of Lender. This assignment of rents of the Property shall terminate when the debt secured by the Security Instrument is paid in full.

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

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17. Foreclosure Procedure. If Lender requires immediate payment in full under Paragraph 9, Lender may invoke the power of sale and any other remedies permitted by applicable law. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this Paragraph 17, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

If Lender invokes the power of sale, Lender shall give written notice to Trustee of the occurrence of an event of default and of Lender's election to cause the Property to be sold. Trustee and Lender shall take such action regarding notice of sale and shall give such notices to Borrower and to other persons as applicable law may require. After the time required by applicable law and after publication of the notice of sale, Trustee, without demand on Borrower, shall sell the Property at public auction to the highest bidder at the time and place and under the terms designated in the notice of sale in one or more parcels and in any order Trustee determines. Trustee may postpone sale of the Property for a period or periods permitted by applicable law by public announcement at the time and place fixed in the notice of sale. Lender or its designee may purchase the Property at any sale.

Trustee shall deliver to the purchaser Trustee's deed conveying the Property without any covenant or warranty, expressed or implied. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all expenses of the sale, including, but not limited to, reasonable Trustee's and attorneys' fees; (b) to all sums secured by this Security Instrument; and (c) any excess to the person or persons legally entitled to it or to the clerk of the superior court of the county in which the sale took place.

18. Reconveyance. Upon payment of all sums secured by this Security Instrument, Lender shall request Trustee to reconvey the Property and shall surrender this Security Instrument and all notes evidencing debt secured by this Security Instrument to Trustee. Trustee shall reconvey the Property without warranty and without charge to the person or persons legally entitled to it. Such person or persons shall pay any recordation costs.

19. Substitute Trustee. In accordance with applicable law, Lender may from time to time appoint a successor trustee to any Trustee appointed hereunder who has ceased to act. Without conveyance of the Property, the successor trustee shall succeed to all the title, power and duties conferred upon Trustee herein and by applicable law.

20. Use of Property. The Property is not used principally for agricultural or farming purposes.

Riders to this Security Instrument. If one or more riders are executed by Borrower and recorded together with this Security Instrument, the covenants of each such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Security Instrument as if the rider(s) were in a part of this Security Instrument. [Check applicable box(es)]

☐ Condominium Rider
☐ Graduated Payment Rider

☐ Planned Unit Development Rider
☒ Other (specify) Deed of Trust Rider / WSHFC

BY SIGNING BELOW, Borrower accepts and agrees to the terms contained in this Security Instrument and in any rider(s) executed by Borrower and recorded with it.

x Anna Marie McKenzie
ANNA MARIE MCKENZIE

STATE OF WASHINGTON

County of SKANAWAY

ss:

I certify that the foregoing is a true and correct copy of the original instrument and that ANNA MARIE MCKENZIE

is the person who appeared before me, and said person acknowledged that he/she signed this instrument and acknowledged it to be (his/her) free and voluntary act for the uses and purposes mentioned in the instrument.

Dated: MAY 6, 1998

(Seal or Stamp)

My Appointment Expires: MAY 6, 1998

Debi J. Barnum DEBI J. BARNUM

REQUEST FOR RECONVEYANCE

TO TRUSTEE:

The undersigned is the holder of the note or notes secured by this Deed of Trust. Said note or notes, together with all other indebtedness secured by this Deed of Trust, have been paid in full. You are hereby directed to cancel said note or notes and this Deed of Trust, which are delivered hereto, and to reconvey, without warranty, all the estate now held by you under this Deed of Trust to the person or persons legally entitled thereto.

DATED: _____

WASHINGTON MUTUAL BANK
a corporation

By _____

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TO BE RECORDED



WASHINGTON STATE HOUSING FINANCE COMMISSION

SINGLE-FAMILY DEED OF TRUST RIDER

Loan #: 01-973-504469-8

FHA & VA

BOOK 749 PAGE 713

This Rider, made this 1st day of May, 1995, is incorporated into and shall be deemed to amend and supplement the Deed of Trust of the same date (the 'Deed of Trust') given by the undersigned ('Grantor') to secure its Note of the same date (the 'Note') to SKAMANIA COUNTY TITLE COMPANY

of WASHINGTON MUTUAL BANK

as Trustee, for the benefit
(the 'Beneficiary',

which includes any successors or assigns thereof). The Property encumbered by the Deed of Trust shall be called the 'Property'. The provisions of this Rider shall control any conflicting provision in the Deed of Trust.

The following provisions are hereby incorporated into the Deed of Trust:

1. **Acceleration.** As long as this Deed of Trust is held by the Washington State Housing Financing Commission (the 'Commission'), or its trustee, or secures or 'backs' a Government National Mortgage Association ('GNMA') mortgage pass-through certificate, the Lender may, at Lender's option, declare all sums secured by this Mortgage to be immediately due and payable if Borrower omits or misrepresents a fact in an application for this Deed of Trust, including, without limitation, anything contained in the Mortgagor's Affidavit and Certification, and Mortgagor's Income Certification executed by Borrower in conjunction with this Deed of Trust. As an alternate remedy, Beneficiary may increase the interest rate provided for in the Note in an amount not to exceed that permitted by applicable law. For purposes of this alternate remedy only, 'Beneficiary' shall not include the Commission or its trustee.

2. The following paragraph is added concerning transfer of property and assumption procedures.

Transfer of Property: Assumption. If all or any part of the Property or an interest therein is sold or transferred by Borrower without Lender's prior written consent, excluding (a) the creation of a lien or encumbrance subordinate to this Deed of Trust, (b) the creation of a purchase money security interest for household appliances, or (c) a transfer by devise, descent or by operation of law upon death of a joint tenant, Lender may, at Lender's option, declare all sums secured by this Deed of Trust to be immediately due and payable. Lender shall waive such option to accelerate if (A) the person to whom the Property is to be sold or transferred (the 'Transferee') (1) has at the time of such transfer an Annual Family Income (as defined below) not in excess of the then current Maximum Annual Family Income as established by the Commission for persons and families in the statistical area in which the Property is located; (2) intends to use the Property as his or her principal residence within sixty (60) days of the date the Deed of Trust is assumed and intends to maintain the residence as his or her principal residence as long as he or she is liable under the Note; and (3) has not, at any time during the three-year period ending on the date the Deed of Trust is assumed, had a present ownership interest in a principal residence (except in the case of a residence in a Targeted Area as hereinafter defined) unless Borrower at time this Deed of Trust was executed was not required to be a first-time homeowner pursuant to Section 143 of the Internal Revenue Code of 1986, and the regulations thereunder ('Section 143'); (B) the credit of the Transferee is satisfactory to the Lender; (C) the entire unpaid principal amount of the Mortgage Loan will continue to be insured by a private mortgage insurer acceptable to the Commission; (D) the assumption by the Transferee has been approved by the Commission; (E) on the date of transfer the Purchase Price (as defined below) of the Property does not exceed the Maximum Purchase Price established by the Commission from time to time (for the same type of residence in the statistical area in which the Property is located) in accordance with Section 143; (F) the Transferee executes a written agreement with the Lender assuming the obligations under the Note and this Deed of Trust; and (G) the Transferee executes such affidavits and documents as are necessary to assure the Lender that the requirements of this paragraph are satisfied.

For purposes of the preceding paragraph, the following words and phrases have the following meanings:

- (a) 'Annual Family Income' means gross monthly income multiplied by 12. Gross monthly income is the sum of monthly gross pay; any additional income from overtime, part-time employment, bonuses, dividends, interest, royalties, pensions, VA compensation, net rental income, alimony, sick pay, social security benefits, unemployment compensation, income from trusts and income received from business investments. Information with respect to gross monthly income may be obtained from available loan documents executed during the 4-month period ending on the closing date of the mortgage, provided that any gross monthly income not included on the loan documents must be taken into account. Gross monthly income may be found, for example, on (i) line 23D and 23E of VA Form 26-1802a, HUD 92900, Jan 1982 or (ii) on FHLMC Residential Loan Application (FHLMC 65 Rev. 8/78).
- (b) 'Purchase Price' means the cost of acquiring a residence from the seller as a completed residential unit, including (i) all amounts paid, either in cash or in kind, by the purchaser (or a related party or for the benefit of the purchaser) to the seller (or a related party or for the benefit of the seller) as consideration for the residence; (ii) if a residence is incomplete, the reasonable cost of completing the residence whether or not the cost of completing construction is to be financed with proceeds of the mortgage loan secured by this Deed of Trust; and (iii) where a residence is purchased subject to a ground rent, the capitalized value of the ground rent; but excluding (i) the usual and reasonable settlement or financing costs, e.g., titling and transfer costs, title insurance, survey fees or other similar costs and credit reference fees, legal fees, appraisal expenses, 'points' that are paid by the buyer or other costs of financing the residence; (ii) the value of services performed by the Borrower or members of the Borrower's family in completing the residence; and (iii) the cost of land which has been owned by the Borrower for at least two years prior to the date on which construction of the residence begins.
- (c) 'Targeted Area' means the areas within the State of Washington listed as Qualified Census Tracts, that is, areas in which at least 70% of the population make 50% or less of the areas' median family income or areas designated as 'Chronically distressed'.

3. **Tax Covenants.** The Borrower covenants to execute an affidavit in order to comply with Section 143. The Borrower covenants herein and in such Affidavit that (a) the residence is located in the State of Washington; (b) at the time of execution of this Deed of Trust, Borrower has Annual Family Income not in excess of the then current Maximum Annual Family Income as established by the Commission from time to time; (c) Borrower will occupy such residence as his or her principal residence within sixty (60) days of execution of this Mortgage, will not use the residence in a trade or business, as an investment property or as a recreational home, and intends to use the residence as his or her principal residence as long as Borrower is liable under the Note; (d) Borrower had no present ownership interest in a principal residence (other than the Property) during the three-year period ending on the date of execution of this Deed of Trust (unless the residence is in a Targeted Area or Borrower was otherwise not required to be a first-time homeowner pursuant to Section 143); (e) the Purchase Price of the Property does not exceed the appropriate Maximum Purchase Price established by the Commission from time to time; (f) Borrower had no permanent mortgage loan on the Property at any time prior to executing this Deed of Trust and (g) the Borrower understands that if there is a continuous period of at least one year during which the residence is not the principal residence of at least one of the Borrowers, then no deduction is allowed in computing taxable income for interest that accrues with respect to this Deed of Trust on or after the date such one-year period began.

The Borrower covenants to take no action which would (a) cause the foregoing representations which evidence compliance with Section 143 to be untrue or (b) in any way adversely affect the eligibility of this Deed of Trust and the Note for purchase by the Commission under Section 143.

4. **Failure to Purchase.** The Borrower further agrees that should this Deed of Trust and the Note secured hereby not be eligible for purchase by the Commission within seventy-five (75) days of the date hereof (written statement of the trustee or servicer for the Commission dated subsequent to such seventy-five (75) day period declining to purchase said Note and this Deed of Trust being deemed conclusive proof of such ineligibility) the mortgagee or the holder of said Note may, at its option, declare all sums secured hereby immediately due and payable.

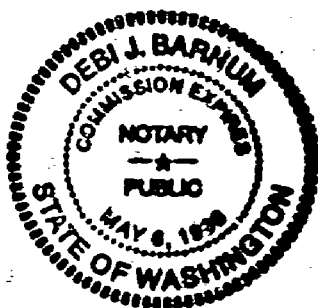
X. *Anna Marie McKenzie*.....
ANNA MARIE MCKENZIE

STATE OF WASHINGTON)
COUNTY OF SKAMANIA) ss.

On this day personally appeared before me ANNA MARIE MCKENZIE

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 *2ND* day of *MAY*, 19 *95*.



Debi J. Barnum DEBI J. BARNUM
NOTARY PUBLIC in and for the State of Washington, residing at
CAMAS
My Commission expires: *MAY 6, 1998*