

RECORDING REQUESTED BY  
CUB FUNDING CORPORATION

AND WHEN RECORDED MAIL TO

Name  
CUB FUNDING CORPORATION  
Address  
26565 WEST AGOURA ROAD  
City  
SUITE 305  
State &  
Zip  
CALABASAS, CA 91302-1958  
Loan No. 5022866  
Title Order No. 19559  
Escrow No. 19559

FILED FOR RECORD  
SKAMANIA, OR, WASH  
BY CRM Inc

APR 22 10 27 AM '96

*P. H. H. H.*  
AUDITOR  
GARY H. OLSON

SPACE ABOVE THIS LINE FOR RECORDER'S USE

125081

ASSIGNMENT OF DEED OF TRUST BOOK 156 PAGE 732

FOR VALUE RECEIVED, the undersigned hereby grants, assigns and transfers to

THE PRUDENTIAL HOME MORTGAGE COMPANY, INC.

all beneficial interest under that certain Deed of Trust dated AUGUST 16, 1995  
JACK D. CLIFTON, AN UNMARRIED MAN

executed by

CHICAGO TITLE INSURANCE COMPANY

Trustor to  
Trustee

and recorded as Instrument No. on 8/22/95  
in the County Recorder's office of SKAMANIA

in book 151, page 938, of Official Records  
County, Washington, describing land therein as:

AS DESCRIBED ON THE DEED OF TRUST REFERRED TO HEREIN.

TOGETHER with the note or notes therein described or referred to, the money due and to become due thereon with interest,  
and all rights accrued or to accrue under said Deed of Trust.

CUB FUNDING CORPORATION

STATE OF CALIFORNIA SS.  
COUNTY OF LOS ANGELES  
On AUGUST 31, 1995 before me,  
the undersigned, a Notary Public in and for said County and  
State personally appeared JUDY SMITH  
JOHN DIXON and

JUDY SMITH, VICE PRES.

known to me to be the VICE PRESIDENT of the corporation  
and the VICE PRES. of the corporation  
that executed the within instrument, and also known to me to  
be the person(s) who executed it on behalf of such corporation,  
and acknowledged to me that such corporation executed the  
same and further acknowledged to me that such corporation  
executed the within instrument pursuant to its by-laws or a  
resolution of its Board of Directors.

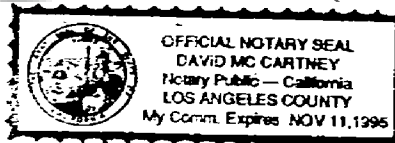
JOHN DIXON, VICE PRES.

WITNESS my hand and Official seal.

(Seal)

Notary Public in and for said County and State

My Commission Expires: NOVEMBER 11, 1995



FORM ASSIGNMENT 0046

Required  
Signed, Date  
Signed  
Signed  
Signed



This Deed of Trust including the assignment of income and the security interest is given to secure payment of the indebtedness and performance of all Grantor's obligations under this Deed of Trust and the Agreement and is given and accepted under the following terms:

1. **Rights and Obligations of Borrower.** Borrower Grantor has various rights and obligations under this Deed of Trust. These rights and responsibilities are set forth in the following paragraphs: 1.1. Payments and Performance, 2. Possession and Maintenance of Property, 3. Taxes and Liens, 4. Property Damage Insurance, 5. Expenditure by Credit Union, 7. Condemnation, 8.2. Remedies, 10.1. Consent by Credit Union, 10.2. Effect of Consent, 11. Security Agreement, Financing Statements, 14. Actions Upon Termination, 14.5. Attorneys Fees and Expenses, 16.2. Unit Ownership Power of Attorney, 16.3. Annual Reports, 16.5. Joint and Several Liability, 16.8. Waiver of Homestead Exemption, and 17.3. No Modifications.

1.1 **Payment and Performance.** Grantor shall pay to Credit Union at amounts secured by this Deed of Trust as they become due, and shall strictly perform all of Grantor's obligations.

2. **Possession and Maintenance of the Property.**

2.1 **Possession.** Until in default, Grantor may remain in possession and control of and operate and manage the Property and collect the income from the Property.

2.2 **Duty to Maintain.** Grantor shall maintain the Property in first class condition and promptly perform all repairs and maintenance necessary to preserve its value.

2.3 **Nuisance, Waste.** Grantor shall neither conduct or permit any nuisance nor commit or suffer any strip or waste on or to the Property or any portion thereof including without limitation removal or abatement by Grantor of the right to remove any timber, minerals (including oil and gas) or gravel or rock products.

2.4 **Removal of Improvements.** Grantor shall not demolish or remove any improvements from the Real Property without the prior written consent of Credit Union. Credit Union shall consent if Grantor makes arrangements satisfactory to Credit Union to replace any improvement which Grantor proposes to remove with one of at least equal value. "Improvements" shall include all existing and future buildings, structures, and parking facilities.

2.5 **Credit Union's Right to Enter.** Credit Union, its agents and representatives, may enter upon the Property at all reasonable times to attend to Credit Union's interest and to inspect the Property.

2.6 **Compliance with Governmental Requirements.** Grantor shall promptly comply with all laws, ordinances, and regulations of all governmental authorities applicable to the use or occupancy of the Property. 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 Credit Union in writing prior to doing so and Credit Union's interest in the Property is not jeopardized.

2.7 **Duty of Protect.** Grantor may do all other acts, allowed by law, that from the character and use of the Property are reasonably necessary to protect and preserve the security.

2.8 **Construction Loan.** If some or all of the proceeds of the loan creating the indebtedness are to be used to construct or complete construction of any improvement on the Property, the improvement shall be completed within six months from the date of this Deed of Trust and Grantor shall pay in full all costs and expenses in connection with the work.

2.9 **Hazardous Substances.** Grantor represents and warrants that the Property has not been and will not be, during the period this deed remains a lien on the Property, used for the creation, manufacture, treatment, storage, or disposal of any hazardous substance, as defined in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, and other applicable federal and state laws or regulations and amendments. Grantor authorizes Credit Union and its agents to enter upon the Property to make such inspections and tests as Credit Union may deem appropriate to determine compliance of the Property with this paragraph. Credit Union's inspections and tests shall be for Credit Union's purposes only and shall not be for the benefit or create any duty or liability to Grantor or any third party. Grantor agrees to indemnify and hold Credit Union harmless against any and all claims and losses including attorney fees resulting from a breach of this paragraph, which shall survive the payment of the indebtedness and satisfaction of this Deed of Trust.

3. **Taxes and Liens.**

3.1 **Payment.** Grantor shall pay when due before they become delinquent all taxes and assessments levied against or on account of the Property, and shall pay when due all claims for work done on or for services rendered or materials furnished to the Property. Grantor shall maintain the Property free of any liens having priority over or equal to the interest of Credit Union under this Deed of Trust, except for the lien of taxes and assessments not due, except for the prior indebtedness referred to in Section 17, and except as otherwise provided in Subsection 3.2.

3.2 **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 Credit Union's interest in the Property is not jeopardized. If a lien arises or is filed as a result of nonpayment, Grantor shall within 15 days after the lien arises or, if a lien is filed, within 15 days after Grantor has notice of the filing, secure the discharge of the lien or deposit with Credit Union, cash or a sufficient corporate surety bond or other security satisfactory to Credit Union in an amount sufficient to discharge the lien plus any costs, attorneys' fees, or other charges that could accrue as a result of a foreclosure or sale under the lien.

3.3 **Evidence of Payment.** Grantor shall upon demand furnish to Credit Union evidence of payment of the taxes or assessments and shall authorize the appropriate county official to deliver to Credit Union at any time a written statement of the taxes and assessments against the Property.

3.4 **Notice of Construction.** Grantor shall notify Credit Union at least 15 days before any work is commenced, any services are furnished, or any materials are supplied to the Property if a construction lien could be asserted on account of the work, services, or materials, and the cost exceeds \$5,000 (if the Property is used for nonresidential or commercial purposes) or \$1,000 (if the Property is used as a residence). Grantor will on request furnish to Credit Union advance assurances satisfactory to Credit Union that Grantor can and will pay the cost of such improvements.

3.5 **Tax Reserves.** Subject to any limitations set by applicable law, Credit Union may require Borrower to maintain with Credit Union reserves for payment of taxes and assessments, which reserves shall be created by advance payment or monthly payments of a sum estimated by Credit Union to be sufficient to produce, at least 15 days before due, amounts at least equal to the taxes and assessments to be paid. If 15 days before payment is due the reserve funds are insufficient, Borrower shall upon demand pay any deficiency to Credit Union. The reserve funds shall be held by Credit Union as a general deposit from Borrower and shall constitute a non-interest bearing debt from Credit Union to Borrower, which Credit Union may satisfy by payment of the taxes and assessments required to be paid by Borrower as they become due. Credit Union does not hold the reserve funds in trust for Borrower, and Credit Union is not the agent of Borrower for payment of the taxes and assessments required to be paid by Borrower.

4. **Property Damage Insurance.**

4.1 **Maintenance of Insurance.** Grantor shall procure and maintain policies of fire insurance with standard all-risk extended coverage endorsements on a replacement basis for the full insurable value basis covering all improvements on the Real Property in an amount sufficient to avoid application of any coinsurance clause, and with a mortgagee's loss payable clause in favor of Credit Union. Policies shall be written by such insurance companies and in such form as may be reasonably acceptable to Credit Union. Grantor shall deliver to Credit Union certificates of coverage from each insurer containing a stipulation that coverage will not be canceled or diminished without a minimum of 10 days' written notice to Credit Union.

4.2 **Application of Proceeds.** Grantor shall promptly notify Credit Union of any loss or damage to the Property. Credit Union may make proof of loss if Grantor fails to do so within 15 days of the casualty. Credit Union may, at its election, apply the proceeds to the reduction of the indebtedness or the restoration and repair of the Property. If Credit Union elects to apply the proceeds to restoration and repair, Grantor shall repair or replace the damaged or destroyed improvements in a manner satisfactory to Credit Union. Credit Union 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 hereunder. Any proceeds which have not been paid out within 180 days after their receipt and which Credit Union has not committed to the repair or restoration of the Property shall be used to prepay first accrued interest and then principal of the indebtedness. If Credit Union holds any proceeds after payment in full of the indebtedness, such proceeds shall be paid to Grantor.

4.3 **Unexpired Insurance at Sale.** Any unexpired insurance shall inure to the benefit of, and pass to, the purchaser of the Property covered by this Deed of Trust at any trustee's or other sale held under the provision contained within, or at any foreclosure sale of such Property.

4.4 **Compliance with Prior Indebtedness.** During the period in which any prior indebtedness described in Section 17 is in effect, compliance with the insurance provisions contained in the instrument evidencing such prior indebtedness shall constitute compliance with the insurance provisions under this Deed of Trust to the extent compliance with the terms of this Deed of Trust would constitute a duplication of insurance requirements. If any proceeds from the insurance become payable on loss, the provisions in this Deed of Trust for division of proceeds shall apply only to that portion of the proceeds not payable to the holder of the prior indebtedness.

4.5 **Association of Unit Owners.** In the event the Real Property has been submitted to unit ownership pursuant to a Unit Ownership Law, or similar law for the establishment of condominiums or cooperative ownership of Real Property, the insurance may be carried by the association of unit owners in Grantor's behalf, and the proceeds of such insurance may be paid to the association of unit owners for the purpose of repairing or reconstructing the Property. If not so used by the association, such proceeds shall be paid to Credit Union.

4.6 **Insurance Reserves.** Subject to any limitations set by applicable law, Credit Union may require Borrower to maintain with Credit Union reserves for payment of insurance premiums, which reserves shall be created by monthly payments of a sum estimated by Credit Union to be sufficient to produce, at least 15 days before due, amounts at least equal to the insurance premiums to be paid. If 15 days before payment is due the reserve funds are insufficient, Borrower shall upon demand pay any deficiency to Credit Union. The reserve funds shall be held by Credit Union as a general deposit from Borrower and shall constitute a non-interest bearing debt from Credit Union to Borrower, which Credit Union may satisfy by payment of the insurance premiums required to be paid by Borrower as they become due. Credit Union does not hold the reserve funds in trust for Borrower, and Credit Union is not the agent of Borrower for payment of the insurance premiums required to be paid by Borrower.

5. **Expenditure by Credit Union.**

If Grantor fails to comply with any provision of this Deed of Trust, including the obligation to maintain the prior indebtedness in good standing as required by Section 17, Credit Union may at its option on Grantor's behalf pay amounts to cure any default in the prior indebtedness and any amount that it expends in so doing shall be added to the indebtedness. Amounts so added shall be payable in accordance with the terms of the indebtedness. The rights provided for in this section shall be in addition to any other rights or any remedies to which Credit Union may be entitled on account of the default. Credit Union shall not by taking the required action cure the default so as to bar it from any remedy that it otherwise would have had.

6. **Warranty; Defense of Title.**

6.1 **Title.** Grantor warrants that it holds marketable title to the Property in fee simple free of all encumbrances other than those set forth in Section 17 or in any policy of title insurance issued in favor of Credit Union in connection with the Deed of Trust.

6.2 **Defense of Title.** Subject to the exceptions in the paragraph above, Grantor warrants and will forever defend the title 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 Credit Union or Trustee under this Deed of Trust, Grantor shall defend the action at Grantor's expense.

7. **Condemnation.**

7.1 **Application of Net Proceeds.** If all or any part of the Property is condemned, Credit Union may at its election require that all or any portion of the net proceeds of the award be applied to the indebtedness. The net proceeds of the award shall mean the award after payment of all reasonable costs, expenses, and attorneys' fees necessarily paid or incurred by Grantor, Credit Union, or Trustee in connection with the condemnation.

7.2 **Proceedings.** If any proceedings in condemnation are filed, Grantor shall promptly notify Credit Union in writing and Grantor shall promptly take such steps as may be necessary to defend the action and obtain the award.

8. **Imposition of Tax By State.**

8.1 **State Taxes Covered.** The following shall constitute state taxes to which this section applies:

- A specific tax upon trust deeds or upon all or any part of the indebtedness secured by a trust deed or security agreement.
- A specific tax on a Grantor which the taxpayer is authorized or required to deduct from payments on the indebtedness secured by a trust deed or security agreement.
- A tax on a trust deed or security agreement chargeable against the Credit Union or the holder of the Agreement secured.
- A specific tax on all or any portion of the indebtedness or on payments of principal and interest made by a Grantor.

9. **Power and Obligations of Trustee.**

9.1 **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 request of Credit Union and Grantor:

- Join in preparing and filing a map or plat of the Real Property, including the dedication of streets or other rights in the public.
- Join in granting any easement or creating any restriction on the Real Property.
- Join in any subordination or other agreement affecting this Deed of Trust or the interest of Credit Union under this Deed of Trust.

9.2 **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, Credit Union, or Trustee shall be a party, unless the action or proceeding is brought by Trustee.

10. **Transfer by Grantor.**

10.1 **Consent by Credit Union.** Grantor shall not transfer or agree to transfer all or part of Grantor's interest in the Property without the prior written consent of Credit Union. Any attempt to transfer shall entitle the Credit Union to terminate and accelerate the indebtedness under this Deed of Trust.

A "sale or transfer" means the conveyance of real property or any right, title, or interest therein, whether legal or equitable, whether voluntary or involuntary, by outright sale, deed, installment sale contract, land contract, contract for deed, leasehold interest with a term greater than three years, lease-option contract, or any other method of conveyance of real property interest. If any Borrower is a corporation, transfer also includes any change in ownership of more than 25% of the voting stock of Borrower.

If Grantor or prospective transferee applies to Credit Union for consent to a transfer, Credit Union may require such information concerning the prospective transferee as would normally be required from the new loan applicant.

10.2 **Effect of Consent.** If Credit Union consents to one transfer, that consent shall not constitute a consent to other transfers or a waiver of this section. No transfer by Grantor shall relieve Grantor of liability for payment of the indebtedness. Following a transfer, Credit Union may agree to any extension of time for payment or modification of the terms of this Deed of Trust or the Agreement or waive any right or remedy under this Deed of Trust or the Agreement without relieving Grantor from liability. Grantor waives notice, presentment, and protest with respect to the indebtedness.



17. Prior Indebtedness.

17.1 Prior Lien. The lien securing the indebtedness secured by this Deed of Trust is and remains secondary and inferior to the lien securing payment of a prior obligation in the form of a (Check which Applies)

☒ Trust Deed  
☐ Mortgage  
☐ Land Sale Contract

Other (Specify) \_\_\_\_\_

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The prior obligation has a current principal balance of \$ 13913.84 and is in the original principal amount of \$ 17500.00

Grantor expressly covenants and agrees to pay or see to the payment of the prior indebtedness and to prevent any default thereunder. 17.2 Default. If the payment of any installment of principal or any interest on the prior indebtedness is not made within the time required by the Agreement evidencing such indebtedness, or should an event of default occur under the instrument securing such indebtedness and not be cured during any applicable grace period therein, then your action or inaction shall entitle the Credit Union to terminate and accelerate the indebtedness and pursue any of its remedies under this Deed of Trust.

17.3 No Modifications. Grantor shall not enter into any agreement with the holder of any mortgage, deed of trust, or other security agreement which has priority over this Deed of Trust by which that agreement is modified, amended, extended, or renewed without the prior written consent of Credit Union. Grantor shall neither request nor accept any future advances under a prior mortgage, deed of trust, or other security agreement without the prior written consent of Credit Union.

GRANTOR:

Marc H. Medlin  
 MARC H. MEDLIN

GRANTOR:

Cynthia Medlin  
 CYNTHIA MEDLIN

INDIVIDUAL ACKNOWLEDGMENT

STATE OF WASHINGTON )

) ss.

County of Clark )

On this day personally appeared before me MARC H. MEDLIN and CYNTHIA MEDLIN, husband and wife

to me known to be (or in California, personally known to me or proved to me on the basis of satisfactory evidence to be) the individual, or individuals described in and who executed the within and foregoing instrument, and acknowledged that they he signed the same as their

free and voluntary act and deed, for the uses and purposes therein mentioned. Given under my hand and official seal this 18 day of April, 19 96

By:

Wade Nelson

Notary Public in and for the State of: Washington

Residing at: Camas

My commission expires: 02/23/99



REQUEST FOR FULL RECONVEYANCE  
 (To be used only when obligations have been paid in full)

To: \_\_\_\_\_, Trustee

The undersigned is the legal owner and holder of all indebtedness secured by this Deed of Trust. All sums secured by the Deed of Trust have been fully paid and satisfied. You are hereby directed, on payment to you of any sums owing to you under the terms of this Deed of Trust or pursuant to statute, to cancel all evidence of indebtedness secured by this Deed of Trust (which are delivered to you herewith together with the Deed of Trust), and to reconvey, without warranty, to the parties designated by the terms of the Deed of Trust, the estate now held by you under the Deed of Trust. Please mail the reconveyance and related documents to:

Date: \_\_\_\_\_, 19 \_\_\_\_\_

Credit Union: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

EXHIBIT A

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That portion of the Bishop D.L.C. in the Northwest Quarter of Section 21, Township 2 North, Range 7 East of the Willamette Meridian, in the County of Skamania, State of Washington, described as follows:

Beginning at the intersection of the Moffette-Carpenter Road and the North right of way line of State Highway No. 8, said intersection being North 2,202.05 feet and East 1,930.50 feet from the U.S.E.D. monument marking the Southwest Corner of the Bishop D.L.C.; thence North 48° 08' West on the centerline of the said Moffette-Carpenter Road 985.34 feet to County Road Station P.L. 10+20.00; thence North 05° 37' West on the tangent 149.08 feet; thence North 89° 37' West 25.13 feet to the Westerly line of the said Moffette-Carpenter Road, said point being the initial point of the tract hereby described; thence North 89° 37' West 150 feet; thence South 05° 37' East 75 feet; thence South 89° 37' East 150 feet to the Westerly line of said road; thence North 05° 37' West 75 feet to the initial point.



## UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

1. **Payment of Principal and Interest; Prepayment and Late Charges.** Borrower shall promptly pay when due the principal of and interest on the debt evidenced by the Note and any prepayment and late charges due under the Note.

2. **Funds for Taxes and Insurance.** Subject to applicable law or to a written waiver by Lender, Borrower shall pay to Lender on the day monthly payments are due under the Note, until the Note is paid in full, a sum ("Funds") for: (a) yearly taxes and assessments which may attain priority over this Security Instrument as a lien on the Property; (b) yearly leasehold payments or ground rents on the Property, if any; (c) yearly hazard or property insurance premiums; (d) yearly flood insurance premiums, if any; (e) yearly mortgage insurance premiums, if any; and (f) any sums payable by Borrower to Lender, if accordance with the provisions of paragraph 8, in lieu of the payment of mortgage insurance premiums. These items are called "Escrow Items." Lender may, at any time, collect and hold Funds in an amount not to exceed the maximum amount a lender for a federally related mortgage loan may require for Borrower's escrow account under the federal Real Estate Settlement Procedures Act of 1974 as amended from time to time, 12 U.S.C. Section 2601 et seq. ("RESPA"), unless another law that applies to the Funds sets a lesser amount. If so, Lender may, at any time, collect and hold Funds in an amount not to exceed the lesser amount. Lender may estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future Escrow Items or otherwise in accordance with applicable law.

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or entity (including Lender, if Lender is such an institution) or in any Federal Home Loan Bank. Lender shall apply the Funds to pay the Escrow Items. Lender may not charge Borrower for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, unless Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge. However, Lender may require Borrower to pay a one-time charge for an independent real estate tax reporting service used by Lender in connection with this loan, unless applicable law provides otherwise. Unless an agreement is made or applicable law requires interest to be paid, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Borrower and Lender may agree in writing, however, that interest shall be paid on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds, showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as additional security for all sums secured by this Security Instrument.

If the Funds held by Lender exceed the amounts permitted to be held by applicable law, Lender shall account to Borrower for the excess Funds in accordance with the requirements of applicable law. If the amount of the Funds held by Lender at any time is not sufficient to pay the Escrow Items when due, Lender may so notify Borrower in writing, and, in such case Borrower shall pay to Lender the amount necessary to make up the deficiency. Borrower shall make up the deficiency in no more than twelve monthly payments, at Lender's sole discretion.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender. If, under paragraph 21, Lender shall acquire or sell the Property, Lender, prior to the acquisition or sale of the Property, shall apply any Funds held by Lender at the time of acquisition or sale as a credit against the sums secured by this Security Instrument.

3. **Application of Payments.** Unless applicable law provides otherwise, all payments received by Lender under paragraphs 1 and 2 shall be applied: first, to any prepayment charges due under the Note; second, to amounts payable under paragraph 2; third, to interest due; fourth, to principal due; and last, to any late charges due under the Note.

4. **Charges; Liens.** Borrower shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attain priority over this Security Instrument, and leasehold payments or ground rents, if any. Borrower shall pay these obligations in the manner provided in paragraph 2, or if not paid in that manner, Borrower shall pay them on time directly to the person owed payment. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this paragraph. If Borrower makes these payments directly, Borrower shall promptly furnish to Lender receipts evidencing the payments.

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender; (b) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which in the Lender's opinion operate to prevent the enforcement of the lien; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which may attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Borrower shall satisfy the lien or take one or more of the actions set forth above within 10 days of the giving of notice.

5. **Hazard or Property Insurance.** Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage" and any other hazards, including floods or flooding, for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's approval which shall not be unreasonably withheld. If Borrower fails to maintain coverage described above, Lender may, at Lender's option, obtain coverage to protect Lender's rights in the Property in accordance with paragraph 7.

All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgage clause. Lender shall have the right to hold the policies and renewals. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, if the restoration or repair is economically feasible and Lender's security is not lessened. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. If Borrower abandons the Property, or does not answer within 30 days a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay sums secured by this Security Instrument, whether or not then due. The 30-day period will begin when the notice is given.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of the payments. If under paragraph 21 the Property is acquired by Lender, Borrower's right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of the sums secured by this Security Instrument immediately prior to the acquisition.

6. **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 Lender otherwise agrees in writing, which consent shall not be unreasonably withheld, or unless extenuating circumstances exist which are beyond Borrower's control. Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate, or commit waste on the Property. Borrower shall be in default if any forfeiture action or proceeding, whether civil or criminal, is begun that in Lender's good faith judgment could result in forfeiture of the Property or otherwise materially impair the lien created by this Security Instrument or Lender's security interest. Borrower may cure such a default and reinstate, as provided in paragraph 18, by causing the action or proceeding to be dismissed with a ruling that, in Lender's good faith determination, precludes forfeiture of the Borrower's interest in the Property or other material impairment of the lien created by this Security Instrument or Lender's security interest. 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 all the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

7. **Protection of Lender's Rights in the Property.** If Borrower fails to perform the 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, probate, for condemnation or forfeiture or to enforce laws or regulations), then Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include paying any sums secured by a lien which has priority over this Security Instrument, appearing in court, paying reasonable attorneys' fees and entering on the Property to make repairs. Although Lender may take action under this paragraph 7, Lender does not have to do so.

Any amounts disbursed by Lender under this paragraph 7 shall become additional debt of Borrower secured by this Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

8. **Mortgage Insurance.** If Lender required mortgage insurance as a condition of making the loan secured by this Security Instrument, Borrower shall pay the premiums required to maintain the mortgage insurance in effect. If, for any reason, the mortgage insurance coverage required by Lender lapses or ceases to be in effect, Borrower shall pay the premiums required to obtain coverage substantially equivalent to the mortgage insurance previously in effect, at a cost substantially equivalent to the cost to Borrower of the mortgage insurance previously in effect, from an alternate mortgage insurer approved by Lender. If substantially equivalent mortgage insurance coverage is not available, Borrower shall pay to Lender each month a sum equal to one-twelfth of the yearly mortgage insurance premium being paid by Borrower when the insurance coverage lapsed or ceased to be in effect. Lender will accept, use and retain these payments as a loss reserve in lieu of mortgage insurance. Loss reserve payments may no longer be required, at the option of Lender, if mortgage insurance coverage (in the amount and for the period that Lender requires) provided by an insurer approved by Lender again becomes available and is obtained. Borrower shall pay the premiums required to maintain mortgage insurance in effect, or to provide a loss reserve, until the requirement for mortgage insurance ends in accordance with any written agreements between Borrower and Lender or applicable law.

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.

22. 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 Lender shall charge Borrower a release fee in an amount allowed by applicable law. Such person or persons shall pay any recordation costs.

23. 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.

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

25. Riders to this Security Instrument. If one or more riders are executed by Borrower and recorded together with this Security Instrument, the covenants and agreements 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 a part of this Security Instrument. [Check applicable box(es)]

- |  |   |   |
|--|---|---|
| <input checked="" type="checkbox"/> Adjustable Rate Rider                                | <input type="checkbox"/> Condominium Rider              | <input type="checkbox"/> 1-4 Family Rider       |
| <input type="checkbox"/> Graduated Payment Rider   | <input type="checkbox"/> Planned Unit Development Rider | <input type="checkbox"/> Biweekly Payment Rider |
| <input type="checkbox"/> Balloon Rider   | <input type="checkbox"/> Rate Improvement Rider         | <input type="checkbox"/> Second Home Rider      |
| <input checked="" type="checkbox"/> Other(s) (specify) Addendum to Adjustable Rate Rider |   |   |

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

*Lyle D. Frenier*  
LYLE D. FRENIER

*Mary E. Frenier*  
X MARY E. FRENIER

STATE OF WASHINGTON

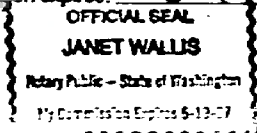
Cowlitz County ss:

On this 16th day of April, 19 96, before me the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared LYLE D. FRENIER and MARY E. FRENIER

to me known to be the individual(s) described in and who executed the foregoing instrument, and acknowledged to me that ~~he/she/they~~ signed and sealed the said instrument as his/her/their free and voluntary act and deed, for the uses and purposes therein mentioned.

WITNESS my hand and official seal affixed the day and year in this certificate above written.

My Commission Expires 12-97



*Janet Wallis*  
Notary Public in and for the State of Washington residing at: Castle Rock  
JANET WALLIS

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 hereby, 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 \_\_\_\_\_

Mail reconveyance to \_\_\_\_\_



BOOK 156 PAGE 751

Loan #01-298-571443-1

(E) Effective Date of Changes

My new interest rate will become effective on each Change Date. I will pay the amount of my new monthly payment beginning on the first monthly payment date after the Change Date until the amount of my monthly payment changes again.

(F) Notice of Changes

The Note Holder will mail or deliver to me a notice of any changes in my interest rate and the amount of my monthly payment before the effective date of any change. The notice will include information required by law to be given me and also the title and telephone number of a person who will answer any question I may have regarding the notice.

B. TRANSFER OF THE PROPERTY OR A BENEFICIAL INTEREST IN BORROWER

Uniform Covenant 17 of the Security Instrument is amended to read as follows:


**Transfer of the Property or a Beneficial Interest in Borrower.** If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument. Lender also shall not exercise this option if: (a) Borrower causes to be submitted to Lender information required by Lender to evaluate the intended transferee as if a new loan were being made to the transferee; and (b) Lender reasonably determines that Lender's security will not be impaired by the loan assumption and that the risk of a breach of any covenant or agreement in this Security Instrument is acceptable to Lender.

To the extent permitted by applicable law, Lender may charge a reasonable fee as a condition to Lender's consent to the loan assumption. Lender may also require the transferee to sign an assumption agreement that is acceptable to Lender and that obligates the transferee to keep all the promises and agreements made in the Note and in this Security Instrument. Borrower will continue to be obligated under the Note and this Security Instrument unless Lender releases Borrower in writing.

If Lender exercises the option to require immediate payment in full, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is mailed or delivered within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Adjustable Rate Rider.

After recording, mail to:  
WASHINGTON MUTUAL  
Loan Servicing  
P.O. Box 91006, SAS0304  
Seattle, WA 98111

  
LYLE D. FRENTER

X   
MARY E. FRENTER

BOOK 156 PAGE 753 Loan #01-298-571443-1

Beginning with the Effective Conversion Date, if such conversion has been chosen, my interest rate will be equal to the Federal National Mortgage Association's (FNMA) published Required Net Yield for thirty (30)-year, fixed rate mortgages covered by sixty (60)-day mandatory scheduled/actual delivery commitments that was in effect as of the date fifteen (15) days before the Effective Conversion Date, plus FIVE-EIGHTHS of one percent (.625 %) rounded to the nearest 1/8% of 1%. If I do not occupy the Property as my principal residence on the Effective Conversion Date, my new fixed interest rate will be one-half of one percent (1/2%) higher than the rate otherwise payable. If the unpaid balance of the Note as of the Effective Conversion Date exceeds the then-applicable limits for purchase by FNMA, my new fixed interest rate will be three-eighths of one percent (3/8%) higher than the rate otherwise payable. If such Required Net Yield is not available, the Note Holder will determine my new, fixed interest rate by using a comparable figure. In any event, my fixed rate will not exceed TEN & THREE-FOURTHS percent (10.750 %).

**B. DETERMINATION OF NEW PAYMENT AMOUNT**

If I choose to convert to a fixed rate of interest as provided in Section A above, the Note Holder will then determine the monthly payment amount that would be sufficient to repay in full the principal, I am expected to owe, on the Effective Conversion Date, together with interest at my new interest rate, in substantially equal payments by the maturity date (the "New Payment Amount").

**C. PAYMENT OF NEW PAYMENT AMOUNT; CONTINUATION OF FIXED RATE**

Beginning with my first monthly payment that becomes due after the Effective Conversion Date, I will, if I have chosen the foregoing conversion, pay the New Payment Amount as my monthly payment, and the interest rate I pay will not change from the fixed rate established as of the Effective Conversion Date.

**D. CONVERSION FEE**

For choosing to convert my adjustable rate loan to a fixed rate loan as provided above, I will pay the Note Holder a conversion fee equal to ZERO percent (0.000 %) of that part of principal that, as of the Effective Conversion Date, has not been paid. I will pay the conversion fee at least one business day prior to the Effective Conversion Date.

**E. NOTICE BY NOTE HOLDER**

Before the Effective Conversion Date, the Note Holder will mail or deliver to me a notice of my new interest rate as of the Effective Conversion Date; the amount of my New Monthly Payment; the amount of the conversion fee; and a date (not later than one business day prior to the Effective Conversion Date) by which I must have obtained all required signatures on the Modification Document and actually delivered it to the Note Holder. The notice will include all information required by law to be given me and also the title and telephone number of a person who will answer any question I may have regarding the notice.

**F. FAILURE TO CHOOSE CONVERSION**


If I do not, at least 10 days before the last possible Conversion Date specified in Section A above, give notice to the Note Holder that I choose to convert my adjustable rate loan to a fixed rate loan and do the other things that I must do under this Addendum within the applicable times specified in this Addendum, I will no longer have the right to convert my adjustable rate loan to a fixed rate loan in the manner described in this Addendum.


**G. TRANSFER OF THE PROPERTY OR OF BENEFICIAL INTEREST IN BORROWER**

Uniform Covenant 17 of the Security Instrument, as amended by the Adjustable Rate Rider, prohibits the Lender from withholding its consent to a sale or transfer of the property (or a beneficial interest in the Borrower if other than a natural person) if the purchaser or transferee meets the Lender's standards of creditworthiness applicable to similar new loans and the Lender's security would not otherwise be impaired.

Following conversion of my adjustable rate loan to a fixed rate loan as provided above, the above limitations on the Lender's right to withhold its consent shall no longer be applicable and the Lender may, in its sole discretion, either: (i) arbitrarily withhold its consent; or (ii) condition the granting of its consent upon the payment of a fee, adjustment in the interest rate payable under the Note, or such other modifications to the terms of the Borrower's loan as the Lender, in its sole discretion, may require.

IN WITNESS WHEREOF, Borrower has executed this Addendum to Adjustable Rate Rider as of the day and year first written above.

  
LYLE D. PRENTER

  
MARY E. PRENTER

After recording, mail to:  
WASHINGTON MUTUAL, Loan Servicing  
P.O. Box 91006, SAS0304, Seattle, WA 98111

5548 5-89

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TO BE RECORDED