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BOOK 165 PAGE 594

FILED FOR RECORD
SKAMANIA CO. WASH
BY United Credit Card
Inc

MAY 27 4 24 PM '97

P. Olson
AUDITOR
GARY M. OLSON

This Mortgage was prepared by, and
once recorded, should be returned to:

KEY FEDERAL SAVINGS BANK
P.O. Box 3037
Baton Rouge, LA 70821-3037

Borrower: JAMES C HALVORSON

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Data ID: 968

MORTGAGE

THIS MORTGAGE is dated this 18th day of April, 1997, between
JAMES C HALVORSON AND MARY A HALVORSON, HUSBAND AND WIFE, whose address is
122 WINTER CREEK RD, STEVENSON, WASHINGTON 98648-6156

and KEY FEDERAL SAVINGS BANK, a federal savings bank organized and existing under the laws of the
United States, whose address is One Ames Plaza, Rehoboth, Delaware 19971

(herein "Borrower").

(herein "Lender").

WHEREAS, Borrower desires to secure to Lender the prompt repayment of Borrower's indebtedness to
Lender, as evidenced by that certain Credit Card Home Equity Agreement between Borrower and Lender,
dated April 18, 1997, together with all extensions, renewals, modifications, refinancings and substitutions
therefor (herein "Credit Agreement"), with interest thereon; the payment of all other sums, with interest
thereon, advanced in accordance herewith to protect the security of this Mortgage; and the performance of
the covenants and agreements of Borrower herein contained (herein "Indebtedness"), Borrower hereby
mortgages and conveys to Lender, all of Borrower's right, title and interest in and to the following described
property located in the County of SKAMANIA, State of Washington:

SEE LEGAL DESCRIPTION ATTACHED HERETO AND MADE A PART HEREOF, MORE FULLY
DESCRIBED ON LEGAL DESCRIPTION ATTACHED ON PAGE 4.

Property Tax Parcel Number: 020633300080100 TCA 44
NW 1/4 of Section 33, Twp 2 North, Range 6 East
which has the address of 122 WINTER CREEK RD, STEVENSON,
Washington 98648-6156

[City] ("Property Address");

TOGETHER with all the improvements now or hereafter erected on the property, and all easements,
rights, appurtenances and rents, all of which shall be deemed to be and remain a part of the property covered
by this Mortgage; and all of the foregoing, together with said property (or the leasehold estate if this Mortgage
is on a leasehold) are hereinafter referred to as the "Property";

Specifically, this Mortgage secures a revolving line of credit, which obligates Lender to make advances
to Borrower up to his or her established credit limit, as long as Borrower complies with all the Credit
Agreement's terms and the line of credit has not been terminated, suspended or canceled. Such advances
may be made, repaid, and remade from time to time, subject to the limitation that the total outstanding
balance owing at any one time, exclusive of finance charges at a fixed rate provided in the Credit Agreement
and any amounts expended as provided hereunder, shall not exceed the credit limit established in the Credit
Agreement. Any advances made in excess of Borrower's credit limit will not be secured by this Mortgage
unless and until Lender agrees to increase his or her credit limit and complies with any subsequent
disclosure, rescission and other requirements under Federal Reserve Board Regulation Z, as applicable. The
maximum principal amount that may be secured under this Mortgage is \$5,000.00. However, Borrower agrees
and acknowledges that this maximum amount exceeds the credit limit initially established under Borrower's
Credit Agreement. Borrower further agrees and acknowledges that any subsequent increase in his or her
credit limit will be made at Lender's discretion and that Lender is in no way obligated to grant Borrower's
request for a credit limit increase. It is the intention of the Borrower and Lender that this Mortgage secures
the balance outstanding under the Credit Agreement from time to time, from zero up to the credit limit
established therein and any intermediate balance. Funds may be advanced by Lender, repaid and
subsequently readvanced. The unpaid balance of the revolving line of credit may at certain times be lower
than the credit limit established under the Credit Agreement or zero. A zero balance does not terminate the
line of credit or terminate Lender's obligation to advance funds to Borrower. Therefore, the lien of this
Mortgage will remain in full force and effect notwithstanding any zero balance.

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 encumbrances of record.

THIS MORTGAGE IS GIVEN TO SECURE (1) PAYMENT OF THE INDEBTEDNESS AND (2)
PERFORMANCE OF EACH AGREEMENT AND OBLIGATION OF BORROWER UNDER THE CREDIT
AGREEMENT AND THIS MORTGAGE. THIS MORTGAGE IS GIVEN AND ACCEPTED ON THE
FOLLOWING TERMS:

1. **Payment of Principal and Interest.** Borrower shall promptly pay to Lender when due all amounts
secured by this Mortgage and shall strictly and in a timely manner perform all of Borrower's obligations under
the Credit Agreement and this Mortgage.

WASHINGTON

By: *[Signature]* ✓
Noted: *[Signature]* ✓
Indirect: *[Signature]* ✓
Date: *[Signature]* ✓
Year: *[Signature]* ✓

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2. Prior Mortgages and Deeds of Trust; Taxes; Liens. The lien of this Mortgage securing the Indebtedness may be secondary and inferior to an existing lien. Borrower expressly covenants and agrees to perform all of Borrower's obligations under any mortgage, deed of trust or other security agreement with a lien which has priority over this Mortgage, including Borrower's covenants to make payments when due. Borrower shall pay or cause to be paid when due all taxes, assessments and other charges, fines and impositions attributable to the Property which may attain a priority over this Mortgage, and leasehold payments or ground rents, if any, and upon demand shall furnish to Lender satisfactory evidence of payment of such taxes and assessments.

3. Preservation and Maintenance of Property. Borrower agrees not to abandon the Property and to keep the Property in good repair, not to commit waste or permit impairment or deterioration of the Property and to comply with the provisions of any lease if this Mortgage is on a leasehold.

4. Property Insurance. Borrower agrees to maintain insurance on the Property at his or her expense for as long as this Mortgage remains in effect. This insurance will be in amounts and of the types required by Lender (including flood insurance where applicable) and must be issued by one or more financially responsible insurance companies acceptable to Lender. Borrower further agrees to name Lender as a loss payee beneficiary under his or her policies, which are to contain non-contributory loss payable clauses in Lender's favor. Additionally, Borrower agrees to provide Lender with copies of his or her insurance policies, along with evidence that policy premiums and all renewal premiums have been paid.

5. Protection of Lender's Security. If Borrower fails to perform the covenants and agreements contained in this Mortgage, or if any action or proceeding is commenced which materially affects Lender's interest in the Property, then Lender, at Lender's option, upon notice to Borrower, may make such appearances, disburse such sums, including reasonable attorneys' fees, and take such action as is necessary to protect Lender's interest.

Any amounts disbursed by Lender pursuant to this paragraph, with interest thereon, at the rate provided for in the Credit Agreement, shall be secured by this Mortgage. Nothing contained in this paragraph shall require Lender to incur any expense or take any action hereunder, and any action taken by Lender shall not be construed as curing the default so as to bar Lender from any remedy that it otherwise would have had.

6. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of the Property, or part thereof, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender, subject to the terms of any mortgage, deed of trust or other security agreement with a lien which has priority over this Mortgage.

7. Successors and Assigns Bound; Joint and Several Liability; Co-signers. The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Lender and Borrower, subject to the provisions of paragraph 9 hereof. All covenants and agreements of Borrower shall be joint and several. Any Borrower who co-signs this Mortgage, but does not execute the Credit Agreement, (a) is co-signing this Mortgage only to mortgage, grant and convey that Borrower's interest in the Property to Lender under the terms of this Mortgage, (b) is not personally liable on the Credit Agreement or under this Mortgage, and (c) agrees that Lender and any other Borrower hereunder may agree to extend, modify, forbear, or make any other accommodations with regard to the terms of this Mortgage or the Credit Agreement without that Borrower's consent and without releasing that Borrower or modifying this Mortgage as to that Borrower's interest in the Property.

8. Governing Law; Severability. This Mortgage shall be governed by and interpreted in accordance with the laws of the State of Washington. In the event that any provision of this Mortgage conflicts with applicable law, such conflict shall not affect other provisions of this Mortgage which can be given effect without the conflicting provision, and to this end the provisions of this Mortgage are declared to be severable.

9. Transfer of the Property. If all or any part of the Property or any interest in it is sold or transferred without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Mortgage. However, this option shall not be exercised by Lender if exercise is prohibited by law.

10. Default. Each of the following, at the option of Lender, shall constitute an event of default ("Event of Default") under this Mortgage: (a) Borrower commits fraud or makes a material misrepresentation at any time in connection with the Credit Agreement. This can include, for example, a false statement about Borrower's income, assets, liabilities, or any other aspects of Borrower's financial condition. (b) Borrower does not meet the repayment terms of the Credit Agreement. (c) Borrower's action or inaction adversely affects the Property or Lender's rights in the Property. This can include, for example, waste or destructive use of the dwelling, failure to maintain property insurance, failure to pay taxes, death of all persons liable under the Credit Agreement, transfer of title or sale of the dwelling, creation of a lien on the dwelling without Lender's permission, foreclosure by another lienholder, or the use of funds of the dwelling for prohibited purposes.

11. Rights and Remedies on Default. Upon the occurrence of any Event of Default and at any time thereafter, Lender, at its option, may exercise any one or more of the following rights and remedies, in addition to any other rights or remedies provided by law:

(a) **Accelerate Indebtedness.** Lender shall have the right at its option to declare the entire Indebtedness immediately due and payable.

(b) **Judicial Foreclosure.** Lender may obtain a judicial decree foreclosing Borrower's interest in all or any part of the Property.

(c) **Nonjudicial Sale.** If permitted by applicable law, Lender may foreclose Borrower's interest in all or any part of the Property by nonjudicial sale.

(d) **Deficiency Judgment.** If permitted by applicable law, Lender may obtain a judgment for any deficiency remaining in the Indebtedness after application of all amounts received from the exercise of the rights provided herein.

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

(f) **Appoint Receiver.** Lender shall have the right to have a receiver appointed to take possession of all or any part of the Property, with the power to protect and preserve the Property. The receiver may serve without bond if permitted by law. Lender's right to the appointment of a receiver shall exist whether or not the apparent value of the Property exceeds the Indebtedness by a substantial amount. Employment by Lender shall not disqualify a person from serving as a receiver.

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

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(h) **Other Remedies.** Lender shall have any other right or remedy provided in this Mortgage or the Credit Agreement or at law or in equity.

(i) **Waiver; Election of Remedies.** A waiver by any party of a breach of a provision of this Mortgage shall not constitute a waiver of or prejudice the party's rights otherwise to demand strict compliance with that provision or any other provision. Election by Lender to pursue any remedy provided in this Mortgage, in the Credit Agreement, or provided by law shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Borrower under this Mortgage after Borrower's failure to perform shall not affect Lender's right to declare a default and to exercise any of its remedies under this Mortgage.

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

12. **Waiver of Homestead Exemption.** Borrower hereby releases and waives all rights and benefits of the homestead exemption laws of the State of Washington as to all Indebtedness secured by this Mortgage.

13. **Deductibility of Interest.** Borrower acknowledges and agrees that Lender has in no way advised Borrower as to whether interest and other finance charges under Borrower's Credit Agreement with Lender are or will be deductible for purposes of federal, state or local income or other taxation.

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

IN WITNESS WHEREOF, Borrower acknowledges having read all of the provisions of this Mortgage and agrees to its terms.

James C. Halvorson (Seal)
JAMES C. HALVORSON - Borrower

Mary A. Halvorson (Seal)
MARY A. HALVORSON - Borrower

(Seal)
- Borrower

(Seal)
- Borrower

[Space Below This Line For Acknowledgment]

State of WASHINGTON
County of Clark

INDIVIDUAL ACKNOWLEDGMENT

On this day personally appeared before me JAMES C. HALVORSON AND MARY A. HALVORSON to me known to be the persons described in and who executed the within and foregoing instrument, and acknowledged that they executed 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 18th day of April, 1997.



Susan K. Miller
Notary Public in and for the State of WASH
residing at Vancouver

Susan K. Miller

(Printed Name)

My commission expires: 9/15/97

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Loan No. 021301010685
Borrower: James C. Halvorson

Data ID: 968

LEGAL DESCRIPTION

The North 440 feet of the Southeast quarter of the Northwest quarter of Section 33, Township 2 North, Range 6 East of the Willamette Meridian, in the County of Skamania and State of Washington.

EXCEPT that portion lying Easterly of the Center of County Road No. 1011, AKA Duncan Creek Road.

JCH MAA

Tax Parcel # 02063300080100

TCA 46