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

JUL 28 2 34 PM '97

P. J. Lawry
AUDITOR
GARY M. OLSON

After recording mail to:

Providian Credit Services Inc.
c/o Mortgage Processing
P.O. Box 9120
Pleasanton, CA 94566
Ref. No. 9714900794

SPACE ABOVE THIS LINE FOR RECORDER'S USE ONLY

Set 70973

DEED OF TRUST

Reference No.: 9714900794
Grantor/Borrower: Dennis C. Holm and Raylah E. Holm
Grantee/Lender: Providian Credit Services Inc.
Legal Description: W1/2, SEC. 32, T2N 2N, R5E.
LOT 3, MALFAIT SHORT PLAT 3, BK 2, PG 220.
Additional on Exhibit "A", page 11.
Assessor's Tax Parcel ID#: 02-05-32-2-0-0504-00

THIS DEED OF TRUST ("Deed of Trust") is made on July 23, 1997 by DENNIS C. HOLM AND RAYLAH E. HOLM, HUSBAND AND WIFE ("Borrower") whose address is 42 Hobbit Road, Washougal, WA 98671 and Brian Lynch, Esquire, c/o Bishop and Lynch, 720 Olive Way, #1600, Seattle, Washington, 98101 ("Trustee") and Providian Credit Services Inc., which is organized and existing under the laws of the State of Utah, and whose address is 4001 South 700 East, Suite 100, Salt Lake City, UT 84107 ("Lender"). Borrower owes Lender the principal sum of Sixty One Thousand Five Hundred and No/100 Dollars (U.S. \$61,500.00) (the "Credit Limit") as evidenced by Borrower's Providian Credit Services Inc. Account Agreement dated even date herewith ("Agreement"). This Deed of Trust secures to Lender: (a) the repayment of the debt evidenced by the Agreement, with interest, and all renewals, future advances, extensions and modifications of the Agreement; (b) the payment of all other sums, with interest, advanced to protect the security of this Deed of Trust; and (c) the performance of Borrower's covenants and agreements under this Deed of Trust and the Agreement. 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 which has the address of 42 Hobbit Road, Washougal, Washington 98671 ("Property Address") and which is more particularly described in Exhibit "A" attached hereto and made a part hereof;

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances, and fixtures now or hereafter a part of the property. All replacements and

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additions shall also be covered by this Deed of Trust. All of the foregoing are hereinafter referred to as the "Property."

Borrower and Lender covenant and agree as follows:

1. **TITLE.** Borrower warrants and covenants that Borrower has good and marketable title to the Property and has the right to grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower will defend title to the Property against all claims and demands, subject to any encumbrances of record.
2. **ADJUSTABLE MORTGAGE LOAN PROVISIONS.** The Agreement contains provisions which permit (a) increases and decreases to the rate of interest provided in the Agreement on a monthly basis prior to the Conversion Date (as defined herein) and thereafter; (b) increases and decreases to the rate of interest and payments of principal and interest on a semi-annual basis; and (c) a limitation on increases and decreases to said interest rate and monthly payment amount. Reference is made to the Agreement for a complete description of the variable rate terms of the indebtedness secured by this Deed of Trust.
3. **OPEN-END CREDIT.** The Agreement provides that for the first 10 years after the date of the Agreement, the credit secured by the Property is an open-end revolving line of credit. At the end of approximately 10 years from the date of the Agreement (the "Conversion Date"), any principal amounts owed and outstanding under the Agreement will convert to an adjustable rate, adjustable payment, non-revolving fully amortizing 5 year term loan, as provided in the Agreement, with a maturity date of July 23, 2012. All outstanding interest is due and payable no later than the Conversion Date. The Deed of Trust secures payment of all sums owed under the terms of the Agreement. Borrower's obligations under the Agreement shall be satisfied, and the reconveyance of the Deed of Trust shall be furnished to Borrower upon (i) receipt by Lender of a written request from Borrower to close the Provident Credit Services Inc. Account (the "Account") evidenced by the Agreement; and (ii) payment in full of the indebtedness secured hereby.
4. **FUTURE ADVANCES.** The lien of the Deed of Trust shall secure the existing indebtedness under the Agreement and any future advances made under the Agreement or the Deed of Trust plus interest thereon, attorneys' fees and costs. All advances will have the same lien priority as the advance initially made under the Agreement. The unpaid balance of the revolving line of credit under the Agreement may at certain times be zero; the interest of Lender herein will remain in full force and effect notwithstanding a zero balance at any time.
5. **RIDERS TO THIS DEED OF TRUST.** If one or more riders are executed by Borrower and recorded together with this Deed of Trust, the covenants and agreements of each such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Deed of Trust as if the rider(s) were a part of this Deed of Trust. [Check applicable box(es)]

☐ Condominium/Planned Unit Rider

☐ 1-4 Family Rider

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NOTICE: See the attached pages which are incorporated herein by this reference into this Deed of Trust for additional agreements, terms and provisions contained in this Deed of Trust.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Deed of Trust and in any rider(s) executed by Borrower and recorded with it and acknowledges receipt of a copy of this Deed of Trust and any rider.

Dennis C. Holm
Dennis C. Holm

Raylan E. Holm
Raylan E. Holm

State of Washington }
County of Clark } S.S.

On this 23rd day of July, 19 97, before me, Cherilyn R Costa
a Notary Public, personally appeared Dennis C. Holm &
Raylan E Holm

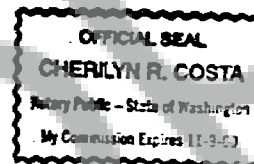
personally known to me to be the individual(s) described in and who executed the foregoing instrument, and acknowledged to me that they signed and sealed the said instrument as their free and voluntary act and deed, for the uses and purposes therein mentioned.

WITNESS my hand and official seal.

Cherilyn R Costa (Seal)
Signature

Cherilyn R Costa (Seal)
Name (typed or printed)

My commission expires: 11-9-00



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REQUEST FOR RECONVEYANCE

TO TRUSTEE:

The undersigned is the holder of the note, notes or agreements secured by this Deed of Trust. Said note, notes or agreements, together with all other indebtedness secured by this Deed of Trust, have been paid in full. You are hereby directed to cancel said note, notes or agreements 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: _____

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ADDITIONAL TERMS OF DEED OF TRUST

A. IMPOUND ACCOUNTS. So long as Borrower pays, prior to delinquency, all yearly taxes and assessments (including condominium and planned unit development assessments, if any) which may attain priority over the Deed of Trust and ground rents on the Property, if any, plus all premiums for hazard insurance and mortgage insurance, if any, Lender waives the requirements of the following. Thereafter, until the Agreement is paid in full, Borrower will pay to Lender when monthly payments are due under the Agreement, a sum ("Funds") for: (a) one-twelfth yearly taxes and assessments which may attain priority over this Deed of Trust as a lien on the Property; (b) one-twelfth yearly leasehold payments or ground rents on the Property, if any; (c) one-twelfth yearly hazard or property insurance premiums; (d) one-twelfth yearly flood insurance premiums, if any; (e) one-twelfth yearly mortgage insurance premiums, if any; and (f) any sums payable by Borrower to Lender, 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 allowed by law. 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.

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 applicable law requires interest to be paid, Lender is not required to pay Borrower any interest or earnings on the Funds. Lender will 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 Deed of Trust.

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 will pay to Lender the amount necessary to make up the deficiency. Borrower will make up the deficiency in no more than twelve monthly payments, at Lender's sole discretion.

Upon payment in full of all sums and closing of the account secured by this Deed of Trust, Lender will promptly refund to Borrower any Funds held by Lender. If Lender acquires or sells the Property, Lender, prior to the acquisition or sale of the Property, will apply any Funds held by Lender at the time of acquisition or sale as a credit against the sums secured by this Deed of Trust.

B. LIENS; PRESERVATION OF PROPERTY. Borrower will perform all of its obligations under any security agreement with a lien which has priority over this Deed of Trust, including making payments when due. Borrower will pay all taxes, assessments and other charges, fines and impositions attributable to the Property which may attain a priority over this Deed of Trust, and leasehold payments, or ground rents, if any. Borrower will keep the Property in good condition and repair and will not commit waste or permit impairment or deterioration of the Property or use it in a destructive manner and shall comply with any lease provisions if this Deed of Trust is a leasehold. Borrower shall comply with all laws, ordinances, regulations and requirements of any governmental body applicable to the Property. Lender may make or cause to be made reasonable entries upon and inspection of the Property, including, without limitation, for the purpose of conducting environmental inspections and audits. If Borrower is in default, or if any

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proceeding is commenced which materially affects Lender's interest in the Property, or the Property is damaged, Lender may without notice to or demand on Borrower make such appearances, advance such sums, and take such actions as Lender deems necessary or advisable to protect Lender's interest. Any amounts which Lender advances on Borrower's behalf will be added to Borrower's indebtedness and this Deed of Trust shall from the date thereof secure the repayment of such advances with interest.

C. INSURANCE. Borrower will maintain and pay for property damage and flood (if required) insurance on the improvements now existing or hereafter erected on the Property as required by the Agreement. In the event of loss, Borrower will 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 will be applied to restore or repair the Property damaged if 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 will be applied to the sums secured by this Deed of Trust, whether or not then due, with any excess paid to Borrower and such application will not extend or postpone the due date of the monthly payments due under the Agreement or change the amount of the payments. If Borrower abandons the Property, or does not answer within 30 days after the date the notice is given by Lender to Borrower 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 Deed of Trust, whether or not the sums are then due and such application will not extend or postpone the due date of the monthly payments due under the Agreement or change the amount of the payments. If Lender acquires the Property, Borrower's right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition will pass to Lender to the extent of the sums secured by this Deed of Trust immediately prior to the acquisition.

D. 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 lieu of condemnation, are hereby assigned and will be paid to Lender and will be applied to the sums secured by this Deed of Trust whether or not the sums are then due and such application will not extend or postpone the due date of any payments under the Agreement. If Borrower abandons the Property, or does not answer within 30 days after the date notice is given by Lender to Borrower that the condemnor offers to make an award or settle a claim for damages, then Lender can collect and apply the proceeds, at its option, either to restore or repair the Property or to the sums secured by this Deed of Trust, whether or not the sums are then due and such application will not extend or postpone the due date of any payments under the Agreement.

E. DEFAULT: Borrower will be in default hereunder if Borrower fails to meet the repayment terms in the Agreement or Borrower's action or inaction adversely affects the Property or Lender's rights in the Property, including, but not limited to:

- (a) failure to maintain required insurance on the Property;
- (b) Borrower's transfer of the Property;
- (c) failure to maintain the Property, or use of it in a destructive manner;
- (d) commission of waste;
- (e) failure to pay taxes on the Property or otherwise fail to act and thereby cause a lien to be filed against the Property that is senior to this lien;
- (f) death of all Borrowers;
- (g) the Property is taken through eminent domain;

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- (h) a judgment is filed against Borrower and subjects Borrower and the Property to action that adversely affects Lender's interest;
- (i) a prior lienholder forecloses on the Property and as a result, Lender's interest is adversely affected; or
- (j) Borrower engages in fraud or material misrepresentation, in connection with any phase of this home equity line of credit.

If Borrower is in default, Lender has all the remedies provided under the Agreement and this Deed of Trust and by law, including, without limitation, terminating the Account, requiring Borrower to pay the entire outstanding balance in one payment, charging Borrower any fees related to the collection of the amount owing and for protection of the Property, including, without limitation, costs and expenses incurred in connection with environmental inspections and audits, and invoking the Power of Sale hereby granted. In the event of such default, the entire principal amount outstanding under the Agreement and this Deed of Trust and accrued interest thereon shall at once become due and payable at the option of Lender without prior notice and regardless of any prior forbearance. In such event, Lender, at its option, may then elect to have the Property foreclosed in accordance with the applicable law. Lender will comply with all applicable legal requirements with respect to said foreclosure. Lender shall also deposit with the Trustee this Deed of Trust and any notes and all documents and agreements evidencing expenditures secured thereby.

Upon satisfying any applicable statutory requirements, the Trustee, without demand on Borrower, shall sell the Property at the time and place specified by such Trustee in its Notice of Sale. Lender reserves the right to cancel the Trustee's sale at any time and to pursue any other remedies available to it until the foreclosure sale occurs. The Trustee may sell the Property as a whole or in separate parcels if there is more than one parcel, subject to such rights as Borrower may have by law to direct the manner or order of sale or by such other manner of sale which is authorized by law. The Trustee may postpone the time of sale of all or any portion of the Property by public declaration made by the Trustee at the time and place last appointed for sale. The Trustee shall deliver to such purchaser its deed conveying the Property so sold, but without any covenant or warranty, express or implied. The recital in such deed of any matters of fact shall be conclusive proof of the truthfulness thereof. Any person, including Borrower, the Trustee or Lender may purchase at such sale. After deducting all costs, fees and expenses of the Trustee, and of this Deed of Trust, including costs of evidence of title in connection with such sale, the Trustee first shall apply the proceeds of sale to payment of all sums expended under the terms of this Deed of Trust, not then repaid, with accrued interest at the rate then payable under the Agreement or notes secured thereby, and then to payment of all other sums secured thereby and, if thereafter there be any proceeds remaining, shall distribute them to the person or persons legally entitled thereto. Costs include attorneys' fees (including fees for attorneys employed by Lender, Trustee or their agents), trustee's fees, expenses of attempted collection, protecting the Property, including, without limitation, costs and expenses incurred in connection with environmental inspections and audits, providing insurable title to a purchaser, and other expenses Lender or Trustee may incur to enforce this Deed of Trust.

F. BORROWER'S RIGHT TO REINSTATE. Notwithstanding Lender's acceleration of the sums secured by this Deed of Trust, Borrower shall have the right to have any proceedings begun by Lender to enforce this Deed of Trust discontinued at any time prior to the eleventh day before sale of the Property pursuant to the Power of Sale contained in this Deed of Trust if: (a) Borrower pays Lender all sums which are then due under this Deed of Trust, and the Agreement which it secures including all advances, if any, had no acceleration occurred; (b) Borrower cures all breaches of any other covenants or agreements of Borrower contained in this Deed of Trust; and (c) Borrower pays all reasonable expenses incurred by

Lender and Trustee in enforcing the covenants and agreements of Borrower contained in this Deed of Trust, and in enforcing Lender's and Trustee's remedies as provided in Paragraph E hereof, including, but not limited to, reasonable attorneys' fees. Upon such payment and cure by Borrower, this Deed of Trust and the obligations secured hereby shall remain in full force and effect as if no acceleration had occurred.

G. LIEN ON RENTS. To the extent allowed under applicable law, as security hereunder, Borrower hereby assigns to Lender the rents and leases for the occupancy or use of the Property, including any security deposits; provided however, that prior to an event of default being declared, Borrower can collect and retain such rents as they become due and payable. Upon the declaration of an event of default, Lender, in person, by agent or by judicially appointed receiver will be entitled to enter upon, take possession of and manage the Property and to collect the rents of the Property including those past due. All rents collected by Lender or the receiver will be applied first to payment of the costs of management of the Property and collection of rents, including, but not limited to, receiver's fees, any premium on receiver's bonds and reasonable attorneys' fees, and then to the sums secured by this Deed of Trust. Lender and the receiver are liable to account only for those rents actually received.

H. SUCCESSORS AND ASSIGNS BOUND; JOINT AND SEVERAL LIABILITY. The covenants and agreements of this Deed of Trust shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of Paragraph K. Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this Deed of Trust but does not execute the Agreement: (a) is co-signing this Deed of Trust only to grant and convey such Borrower's interest in the Property under the terms of this Deed of Trust; (b) is not personally obligated to pay the sums secured by this Deed of Trust; 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 Deed of Trust or the Agreement without that Borrower's consent and without releasing that Borrower or modifying this Deed of Trust as to that Borrower's interest in the Property.

I. NOTICES. Except as otherwise required by law, notices to Lender or Borrower shall be given in the manner provided in the Agreement.

J. GOVERNING LAW, SEVERABILITY. Subject to principles governing choice of law, this Mortgage is made pursuant to, and shall be construed and governed by, the laws of the State of Utah, and the *in rem* rights, remedies and procedures of the state in which the Property is located and by the rules and regulations promulgated thereunder. If any paragraph, clause or provision of this Mortgage or the Agreement or any other obligation secured by this Mortgage is construed or interpreted by a court of competent jurisdiction to be void, invalid or unenforceable, such decision shall affect only those paragraphs, clauses or provisions so construed or interpreted and shall not affect the remaining paragraphs, clauses and provisions of this Mortgage or the Agreement or other obligations secured by this Mortgage.

K. 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 Deed of Trust. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Deed of Trust. If Lender exercises this option, 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 delivered or mailed within which Borrower must pay all sums secured by this Deed

of Trust. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Deed of Trust without further notice or demand on Borrower.

L. HAZARDOUS SUBSTANCES. Borrower represents and warrants that Borrower has no knowledge of any Hazardous Substances on or in the Property. Borrower will not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the Property. Notwithstanding the foregoing, the presence, use, or storage on the Property of Hazardous Substances resulting from small quantities of Hazardous Substances is permitted so long as the quantities are in amounts that are generally recognized to be appropriate to normal residential uses and to maintain use of the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property that is in violation of any Environmental Law. Borrower shall promptly give Lender written notice of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge. If Borrower learns, or is notified by any governmental or regulatory authority, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law. As used herein, "Hazardous Substances" are those substances defined as toxic or hazardous substances by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials; and "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection.

M. INJURY TO PROPERTY. All causes of action of Borrower, whether accrued before or after the date of the Deed of Trust, for damage or injury to the Property described in the Deed of Trust or any part hereof, or in connection with the transaction financed in whole or in part by the funds loaned to Borrower by Lender, or in connection with or affecting the Property or any part thereof, including causes of action arising in tort or contract and causes of action for fraud or concealment of material fact are, at Lender's option, assigned to Lender, and the proceeds thereof shall be paid to Lender who, after deducting therefrom all its expenses, including reasonable attorneys' fees, may apply such proceeds to the sums secured by the Deed of Trust or to any deficiency under the Deed of Trust or release any moneys so received by it or any part thereof, as Lender may elect. Lender may, at its option, appear in and prosecute in its own name any action or proceeding to enforce any such cause of action and may make any compromise or settlement thereof. Borrower agrees to execute such further assignments and other instruments as from time to time may be necessary to effectuate the foregoing provisions and as Lender shall request.

N. FEES. Trustee, or its successors and assigns, may charge and Borrower agrees to pay reasonable preparation of demand fees and reconveyance fees for each full or partial reconveyance of the Deed of Trust together with any fees or charges assessed for recording each such full or partial reconveyance if permitted under applicable law at the time of any reconveyance. Lender may charge Borrower a reasonable fee for any services rendered to Borrower or on Borrower's behalf pursuant to the Deed of Trust or the Agreement to the extent permitted under applicable law. Any such charge shall be secured by the Deed of Trust, and Borrower agrees to pay the same upon demand, together with interest thereon from the date of such charges at the rate payable from time to time on outstanding principal under the Agreement.

O. **OFFSETS.** No indebtedness secured by this Deed of Trust shall be deemed to be offset or to be offset or compensated by all or part of any claim, cause of action, or counterclaim, whether liquidated or unliquidated, which Borrower now or hereafter may have or may claim to have against Lender.

P. **USE OF PROPERTY.** The Property is not used principally for agricultural or farming purposes.

Q. **ORAL AGREEMENTS.** Oral agreements or oral commitments to loan money, extend credit, or to forbear from enforcing repayment of a debt which is for investment, business, agricultural or commercial purposes are not enforceable under Washington law.

R. **SEVERABILITY.** Any provision of this Deed of Trust which is prohibited or unenforceable shall be ineffective to the extent of such prohibition to such unenforceability without invalidating the remaining provisions thereof.

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EXHIBIT "A"

A tract of land in the West half of Section 32, Township 2 North, Range 5 East of the Willamette Meridian, in the County of Skamania, State of Washington, described as follows:

Lot 3 of the MALFAIT SHORT PLAT NO. 3 recorded in Book 2 of Short Plats, Page 220, Skamania County Records.



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WASHINGTON DEED OF TRUST
March 21, 1997