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BOOK 180 PAGE 947

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

AUG 31 4 31 PM '98

Gary
AUDITOR
GARY M. OLSON

This Instrument Prepared by and should be returned to:

Avondale Federal Savings Bank
900 S. Frontage Road, Suite 120
Woodridge, IL 60517

SC 2199

**DEED OF TRUST
AVONDALE PRIME LOAN
(Washington)**

This Deed of Trust ("Deed of Trust") is given this 26th day of August, 1998
by the Grantor,
MICHAEL R DUDLEY and SHARON L DUDLEY, HUSBAND AND WIFE

(herein "Borrower"), to SKAMANIA TITLE
as Trustee, in trust with power of sale in favor of the Beneficiary (herein "Lender"), Avondale Federal Savings
Bank, its successors and/or assigns, a federally chartered savings bank, whose address is 900 S. Frontage Road,
Suite 120, Woodridge, Illinois 60517.

WHEREAS, Borrower and Lender have entered into an Avondale Prime Loan Agreement and
Disclosure Statement (the "Agreement") dated the same date as this Deed of Trust, pursuant to which Borrower
may from time to time borrow from Lender sums which shall not in the aggregate outstanding
principal balance exceed \$ 38,000.00 (the "Maximum Credit Line") plus interest (finance
charges) on the sums borrowed pursuant to the Agreement, payable at the rates and at the times
provided for in the Agreement. As provided in the Agreement on or after 26-Aug-2008
(the "Expiration Date") all sums outstanding under the Agreement may be declared due and payable, together
with interest thereon, unless Lender agrees to extend such Expiration Date. In any event, all
amounts borrowed under the Agreement plus interest thereon must be repaid by 26-Aug-2008
(the "Final Maturity Date").

TO SECURE to Lender the repayment of the indebtedness incurred pursuant to the Agreement,
(including, without limitation, such future advances as are described in paragraph 16 hereof) with interest
thereon, the payment of all other sums, with interest thereon, advanced in accordance herewith to protect the
security of this Deed of Trust, and the performance of the covenants and agreements of Borrower contained
herein and in the Agreement, Borrower does hereby grant and convey to the Trustee, in trust
with power of sale, the following described property located in the County of Skamania
State of Washington.

Legal Description: For complete Legal Description, See Exhibit "A" attached as page 8, made a part hereof.
SW1/4 OF SEC 29, T 3 N, R 8 E

Which has the address of: 212 SPRAGUE LNDG
("Property Address"); STEVENSON

WA

98648-

Assessor's Tax Parcel Number(s): 03-08-29-0-0-1901-00

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Buyer's Name
Selling Agent
Address
City
State
Zip

Initials *[Signature]* *[Signature]*

Borrower covenants that Borrower is lawfully seized of the estate hereby conveyed and has the right to mortgage, grant and convey the Property, that the Property is unencumbered with the exception of those items, if any, listed in a schedule of exceptions to coverage in any title insurance policy insuring Lender's interest in the Property or of record on the date hereof, and that Borrower will warrant and defend generally the title to the Property against all claims and demands, subject to any mortgages, encumbrances, declarations, easements or restrictions.

1. **Payment of Principal and Interest.** Borrower shall promptly pay when due without setoff, net or deduction, the principal of and interest on the indebtedness incurred pursuant to the Agreement (including future advances), together with any fees and charges as provided in the Agreement.

2. **Application of Payments.** Unless applicable law provides otherwise, all payments received by Lender under the Agreement and paragraph 1 hereof shall be applied by Lender first in payment of any advance made by Lender pursuant to this Deed of Trust, then to fees and charges and interest payable pursuant to the Agreement, then to the principal amounts outstanding under the Agreement.

3. **Charges; Liens.** Borrower shall promptly pay or cause to be paid 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, including all payments due under any mortgage disclosed by any title insurance policy insuring Lender's interest in the Property or of record on the date hereof. Borrower shall, promptly furnish to Lender all notices of amounts due under this paragraph and receipts evidencing such payments. Borrower shall promptly discharge any lien which has priority over this Deed of Trust, except for the lien of any mortgage disclosed by any title insurance policy insuring Lender's interest in the Property; or of record on the date hereof; provided, that Borrower shall not be required to discharge any such lien so long as Borrower shall agree in writing to the payment of the obligation secured by such lien in a manner acceptable to Lender, or shall in good faith contest such lien by, or defend enforcement of such lien in, legal proceedings which operate to prevent the enforcement of the lien or forfeiture of the Property or any part thereof.

4. **Hazard 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 such other hazards as Lender may require and in such amounts and for such periods as Lender may require; provided, that Lender shall not require that the amount of such coverage exceed that amount of coverage required to pay the sums secured by this Deed of Trust and any other mortgage on the Property.

The insurance carrier providing the insurance shall be chosen by Borrower subject to approval of Lender; provided, that such approval shall not be unreasonably withheld. All premiums on insurance policies shall be paid in a timely manner when due.

All insurance policies and renewals thereof shall be in form acceptable to Lender and shall include a standard mortgage clause in favor of and in form acceptable to Lender. Upon request of Lender, Lender shall have the right to hold the policies and renewals thereof, and Borrower shall promptly furnish to Lender all renewal notices and all receipts of paid premiums. 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.

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Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, provided such restoration or repair is economically feasible and the security of this Deed of Trust is not thereby impaired. If such restoration or repair is not economically feasible or if the security of this Deed of Trust would be impaired, the insurance proceeds shall be applied to the sums secured by this Deed of Trust, with the excess, if any, paid to Borrower. If the Property is abandoned by Borrower, or if Borrower fails to respond to Lender within 30 days from the date notice is mailed by Lender to Borrower that the insurance carrier offers to settle a claim for insurance benefits, Lender is authorized to collect and apply the insurance proceeds at Lender's option either to restoration or repair of the Property or to the sums secured by this Deed of Trust.

Unless Lender and Borrower otherwise agree in writing, any such application of proceeds to principal shall not extend or postpone the due date of any payments due under the Agreement, or change the amount of such payment. If under paragraph 17 hereof the Property is acquired by Lender, all rights, title and interest of Borrower in and to any insurance policies and in and to the proceeds thereof resulting from damage to the Property prior to the sale or acquisition shall pass to Lender to the extent of the sums secured by this Deed of Trust immediately prior to such sale or acquisition.

5. *Preservation and Maintenance of Property; Leaseholds, Condominiums; Planned Unit Developments.* Borrower shall keep the Property in good repair and shall not commit waste or permit impairment or deterioration of the Property and shall comply with the provisions of any lease if this Deed of Trust is on a leasehold. If this Deed of Trust is on a unit in a condominium or a planned unit development, Borrower shall perform all of Borrower's obligations under the declaration or covenants creating or governing the condominium or planned unit development, the by-laws and regulations of the condominium or planned unit development, and constituent documents. If a condominium or planned unit development rider is executed by Borrower and recorded together with this Deed of Trust, the covenants and agreements of such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Deed of Trust as if the rider were a part hereof.

6. *Protection of Lender's Security.* If Borrower fails to perform the covenants and agreements contained in this Deed of Trust, or if any action or proceedings is commenced which materially affects Lender's interest in the Property, including, but not limited to, any proceeding brought by or on behalf of a prior mortgagee, eminent domain, insolvency, code enforcement, or arrangements or proceedings involving a bankrupt or decedent, then Lender at Lender's option, upon notice to Borrower, may make such appearances, disburse such sums and take such action as is necessary to protect Lender's interest, including, but not limited to, disbursement of reasonable attorneys' fees and entry upon the Property to make repairs.

Any amounts disbursed by Lender pursuant to this paragraph 6, with interest thereon, shall become additional indebtedness of Borrower secured by this Deed of Trust. Unless Borrower and Lender agree to other terms of payment, such amounts shall be payable upon notice from Lender to Borrower requesting payment thereof and shall bear interest from the date of disbursement at the rate payable from time to time on outstanding principal under the Agreement. Nothing contained in this paragraph shall require Lender to incur any expense or take any action hereunder.

7. *Inspection.* Lender or its agents may make or cause to be made reasonable entries upon and inspections of the Property, provided that Lender shall give Borrower notice prior to any such inspection specifying reasonable cause therefor related to Lender's interest in the Property.

8. *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. In the event of a total or partial taking of the Property, the proceeds shall be applied to the sums secured by this Deed of Trust, with the excess, if any, paid to Borrower.

If the Property is abandoned by Borrower, or if after notice by Lender to Borrower that the condemnor offers to make an award or settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date of such notice mailed, Lender is authorized to collect and apply the proceeds, at Lender's option, either to restoration or repair of the Property or to the sums secured by this Deed of Trust.

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Unless Lender and Borrower otherwise agree in writing, any such application of proceeds to principal shall not extend or postpone the due date of any payment due under the Agreement or this Deed of Trust or change the amount of such payment.

9. *Borrower Not Released.* Extension of the time for payment or modification of amortization of the sums secured by this Deed of Trust or any other term of the Agreement or this Deed of Trust granted by Lender to any successor in interest of Borrower shall not operate to release, in any manner, the liability of the original Borrower and Borrower's successors in interest. Lender shall not be required to commence proceedings against such successor or refuse to extend time for payment or otherwise modify any term of the Agreement or this Deed of Trust by reason of any demand made by the original Borrower and Borrower's successors in interest.

10. *Forbearance by Lender not a Waiver.* Any forbearance by Lender in exercising any right or remedy under the Agreement or hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy. The procurement of insurance or the payment of taxes or other liens or charges by Lender shall not be a waiver of Lender's right to accelerate the maturity of the indebtedness secured by this Deed of Trust.

11. *Remedies Cumulative.* All remedies provided in this Deed of Trust are distinct and cumulative to any other right or remedy under this Deed of Trust or afforded by law or equity, and may be exercised concurrently, independently or successively.

12. *Successors and Assigns Bound; Joint and Several Liability; Captions.* The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to the respective successors and assigns of Lender and Borrower. All covenants and agreements of Borrower shall be joint and several. The captions and headings of the paragraphs of this Deed of Trust are for convenience only and are not to be used to interpret or define the provisions hereof.

13. *Notice.* Except for any notice required under applicable law to be given in another manner, (a) any notice to Borrower provided for in this Deed of Trust shall be given by mailing such notice by regular, first class mail, addressed to Borrower at the Property Address or at such other address as Borrower may designate by notice to Lender as provided herein, and (b) any notice to Lender shall be given by certified mail, return receipt requested to Lender's address stated herein or to such other address as Lender may designate by notice to Borrower as provided herein. Any notice provided for in this Deed of Trust shall be deemed to have been given to Borrower or Lender when given in the manner designated herein.

14. *Governing Law; Severability.* This Deed of Trust shall be governed by applicable federal law and the law of the State of Washington. In the event that any provision or clause of this Deed of Trust or the Agreement conflicts with applicable law, such conflict shall not affect other provisions of this Deed of Trust or the Agreement which can be given effect without the conflicting provisions, and to this end the provisions of the Deed of Trust and the Agreement are declared to be severable.

15. *Borrower's Copy.* Borrower shall be furnished a conformed copy of the Agreement and of this Deed of Trust at the time of execution or after recordation hereof.

16. *Revolving Credit Loan.* This Deed of Trust is given to secure a revolving credit loan, and shall secure not only presently existing indebtedness under the Agreement but also future advances, whether such advances are obligatory or made at the option of the Lender, or otherwise, to the Expiration Date or as may be extended by Lender provided that in no event shall the Expiration Date be extended beyond 20 years from the date hereof, (and nothing herein obligates Lender to grant any such extension) and any amounts (including by extension) shall apply to the same extent as if such future advances were made on the date of the execution of this Deed of Trust, although there may be no advance made at the time of execution of this Deed of Trust and although there may be no indebtedness secured hereby outstanding at the time any advance is made. The lien of this Deed of Trust shall be valid as to all indebtedness secured hereby, including future advances, from the time of its filing for record in the recorder's or registrar's office of the county in which the Property is located. The total amount of indebtedness secured hereby may increase or decrease from time to time, but the total unpaid balance of indebtedness secured hereby (including disbursements which the Lender may make under this Deed of Trust, the Agreement, or any other document with respect thereto) at any one time outstanding

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[Signature]

shall not exceed one hundred fifty percent of the Maximum Credit Line, plus interest thereon and any disbursements made for payment of taxes, special assessments or insurance on the Property and interest on such disbursements (all such indebtedness being hereinafter referred to as the "maximum amount secured hereby"). This Deed of Trust shall be valid and have priority over all subsequent liens and encumbrances, including statutory liens, excepting solely taxes and assessments levied on the Property, to the extent of the maximum amount secured hereby.

17. *Termination and Acceleration.* Lender at its option may terminate the availability of loans under the Agreement, declare all amounts owed by Borrower to Lender under the Agreement to be immediately due and payable, and enforce its rights under this Deed of Trust if (a) Borrower fails to make any payment due under the Agreement secured by this Deed of Trust, (b) Borrower acts or fails to act in a way that adversely affects any of the Lender's security for the indebtedness secured by this Deed of Trust, or (c) any application, signature, information or statement furnished by Borrower to the Lender or to others in connection with the transactions contemplated by the Agreement is found to be materially false. The Lender's security shall be presumed to be adversely affected if (a) all or any part of the Property or an interest therein is sold, transferred, encumbered, or conveyed by Borrower without Lender's prior written consent, excluding the creation of a lien or encumbrance subordinate to this Deed of Trust, (b) Borrower fails to comply with any covenant or agreement in this Deed of Trust or the Agreement. If it becomes necessary to enforce or foreclose this Deed of Trust including by judicial proceeding, Lender shall be entitled to collect all expenses of collection, enforcement and foreclosure, including but not limited to reasonable attorneys' fees, court costs and costs of documentary evidence abstracts and title reports.

If Lender invokes the power of sale, Lender shall execute or cause Trustee to execute a written notice of the occurrence of an event of default and of Lender's election to cause the Property to be sold. Trustee shall cause this notice to be recorded in each county in which any part of the Property is located. Lender or Trustee shall mail copies of the notice as prescribed by applicable law to Borrower and to the other persons prescribed by applicable law. Trustee shall give public notice of sale to the persons in the manner prescribed by applicable law. After the time required by applicable law, 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 all or any parcel of the Property by public announcement at the time and place of any previously scheduled sale. Lender or its designee may purchase the Property at any sale.

Trustee shall deliver to the purchase 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, administration, and attorneys' fees; (b) to all sums secured by this Deed of Trust; and (c) any excess to the person or persons legally entitled to it.

18. *Power of Sale.* If Lender invokes the power of sale, or upon written request of Lender, Trustee shall proceed to sale of the Property and shall take such action regarding notice of sale and shall give such notices to Borrower and to other persons as applicable law may require. As may be required by applicable law, including lapse of time after the publication of the notice of sale, Trustee, without demand on Borrower, shall sell the Property at public action 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 such order as Trustee may determine. Lender or Lender's designee may purchase the Property at any sale. This Deed of Trust shall be construed to impose and confer upon the parties hereto and all beneficiaries, all duties, rights and obligations presented in the Deed of Trust Act of the State of Washington. Borrower agrees to pay the costs, fees and expenses of the Trustee in the enforcement hereof and Trustee and attorney's fees incurred as provided by applicable law.

Trustee shall apply the proceeds of sale (1) to the expense of sale including reasonable Trustee's fees and attorney's fees, (2) the obligations secured by this Deed of Trust and (3) the surplus, if any, to the persons entitled thereto.

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18. *Assignment of Rents; Appointment of Receiver; Lender in Possession.* As additional security hereunder, Borrower hereby assigns to Lender the rents of the Property, provided that Borrower shall, prior to acceleration under paragraph 17 hereof or abandonment of the Property, have the right to collect and retain such rents as they become due and payable.

Upon acceleration under paragraph 17 hereof or abandonment of the Property, and at any time prior to the expiration of any period of redemption following judicial sale, Lender, in person, by agent or by judicially appointed receiver, shall 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 shall 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, premiums on receiver's bonds and reasonable attorneys' fees, and then to the sums secured by this Deed of Trust. Lender and the receiver shall be liable to account only for those rents actually received.

20. *Release.* Upon payment of all sums secured by this Deed of Trust and termination of the Agreement, Lender shall release this Deed of Trust. To the full extent allowed by the provisions of applicable law, Borrower hereby waives any and all rights of redemption from sale under any order of foreclosure of this Deed of Trust on behalf of the Borrower, the Borrower's estate and all persons beneficially interested therein.

21. *Waiver of Homestead.* Borrower hereby waives all rights of homestead exemption in the Property.

22. *Substitution of Trustee.* Borrower and Trustee covenant and agree to and with Lender that in case the said Trustee, or any successor trustee, shall die, become incapable of acting, renounce his trust, or for any reason the holder of the Agreement desires to replace said Trustee, then the holder may appoint, in writing, a trustee to take the place of the Trustee; and upon the recording of the same, in the county in which this Deed of Trust is recorded, the trustee thus appointed shall succeed to all the rights, powers, and duties of the Trustee whether conferred herein or by applicable law.

23. *Not Exclusive Remedy.* The power of sale conferred by this Deed of Trust and applicable law is not an exclusive remedy and Beneficiary may cause this Deed of Trust to be foreclosed as a mortgage.

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IN WITNESS WHEREOF, Borrower has executed this Mortgage

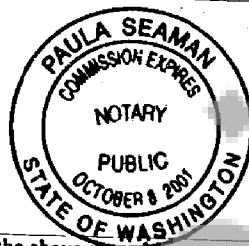
Michael R. Dudley
MICHAEL R DUDLEY

Sharon L. Dudley
SHARON L DUDLEY

STATE OF WASHINGTON

COUNTY OF *Skamania*

) SS



I, *Paula Seaman*

a Notary Public in and for said County, personally certify that the above named persons, personally known to me to be the same person(s) whose name(s) is/are subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that he/she/they signed and delivered the said instrument as his/her/their free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and notarial seal, this *26th* day of *August*, 1998

Paula Seaman
Notary Public

My Commission Expires: *10-8-2001*

This Instrument Prepared by and should be returned to:

Avondale Federal Savings Bank
900 S. Frontage Road
Suite 120
Woodridge, IL 60517

Loan Number: 1500050017118

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Initial *MS L.D.*

EXHIBIT 'A'

That portion of the Southwest Quarter of the Southwest Quarter of Section 29, Township 3 North, Range 8 East Willamette Meridian, lying Southerly of the right of way acquired by the State of Washington for Primary Highway 8, described below:

Beginning 300 feet Southwesterly of the intersection of the East line of the Southwest Quarter of the Southwest Quarter of said Section 29 with the South line of State Highway No. 8 (also known as U.S. Highway 14); thence South 418 feet; thence in a Southwesterly direction 550 feet to a point 418 feet due South of the South line of said highway; thence North 418 feet to the South line of said highway; thence following the Southerly line of said highway in a Northeasterly direction to the point of beginning;

EXCEPT that portion if any lying within Albert McKee et. ux. by instrument recorded April 2, 1982 in Book 81, Page 30.