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BOOK 188 PAGE 292

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

APR 14 11 34 AM '99

Olson
AUDITOR
GARY H. OLSON

AFTER RECORDING RETURN TO:
Associates Housing Finance, LLC

P.O. Box 1489

Clackamas, OR 97015-1489

[Space Above This Line For Recording Data]

SR 22801

LOAN MODIFICATION AGREEMENT

This Loan Modification Agreement ("Agreement"), made March 22, 1999, between
Steven L. Johnson and Carla A. Johnson, husband and wife

and Associates Housing Finance, LLC

("Borrower")

amends and supplements one certain promissory note ("Note") dated May 29, 1998 ("Lender"),
original principal amount of seventy four thousand three hundred seventy five and 11/100ths
Dollars (\$ 74,375.11) executed by Steven L. and Carla A. Johnson, in the

payable to the order of Associates Housing Finance, LLC ("Maker")

in accordance with the terms set forth therein. Borrower, if not presently primarily liable for the payment of
the Note, does hereby expressly assume all obligations under the payment of said Note. Borrower acknowledges
that Lender is the holder and the owner of the Note and understands that Lender may transfer the Note, as
amended by this Agreement, and that anyone who takes the Note by transfer and who is entitled to receive
payments under the Note is called the "Lender" in this Agreement. The Note is secured by a Contract
for Labor and Materials, Mortgage, Deed of Trust, or Deed to Secure Debt (the "Security Instrument"),
dated May 29, 1998, and filed for record on June 16, 1998, under
Book/Volume 178, Page 372, of the official records of Skamania
County, Washington. Said Security Instrument conveys
the real and personal property described in such Security Instrument (the "Property") located at:

(Property Address): 31 Marsh Meadows, Underwood, WA 98651

the real property described being set forth as follows:
(Legal Description):

See Exhibit "A" attached hereto and made a part hereof.
FULL LEGAL IS ON PAGE 8

03-10-15-0-0-1802-00

SE 1/4 SE 15, T3N, R10E

LOAN MODIFICATION AGREEMENT
(Fixed Rate/Multistate)

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Borrower now desires to extend or rearrange the time and manner of (re)payment of the Note and to extend and carry forward the lien(s) on the Property whether created by the Security Instrument or otherwise. Lender, the legal holder and owner of the Note and of the lien(s) securing the same has agreed at the request of the Borrower to extend or rearrange the time and manner of payment of the Note.

For and in consideration of Ten and No/100 Dollars (\$10.00) and other good and valuable consideration paid by each of the parties to the other, the receipt and sufficiency of which are hereby acknowledged and confessed, and in consideration of the mutual promises and agreements exchanged, the parties hereto agree as follows (notwithstanding anything to the contrary contained in the Note or Security Instrument):

1. **Acknowledgment of Unpaid Principal Balance:** Borrower acknowledges that as of March 16, 1999, the amount payable under the Note and secured by the Security Instrument (the "Unpaid Principal Balance") is U.S. \$ 74,375.11. Borrower hereby renews and extends such indebtedness and promises to pay jointly and severally to the order of the Lender the sum of U.S. \$ 74,375.11 (the "Principal Balance"), consisting of the amount(s) loaned to Borrower by Lender and any accrued but unpaid interest capitalized to date.
2. **Repayment Terms:** Interest will be charged on the unpaid Principal Balance until the full amount of principal has been paid. Borrower will pay interest at the rate of 7.500 % from April 1, 1999.
3. **Time and Place of Payments:** The Borrower promises to make monthly principal and interest payments of U.S. \$ 520.04, beginning on May 1, 1999 and continuing thereafter on the same day of each succeeding month until principal and interest are paid in full. If on April 1, 2029 ("Maturity Date"), the Borrower still owes amounts under the Note and the Security Instrument, as amended by this Agreement, the Borrower will pay these amounts in full on the Maturity Date. The Borrower will make such payments at P.O. Box 545, Memphis, TN 38101-0545, or at such other place as Lender may require.
4. **Late Charges for Overdue Payments:** If the Lender has not received the full amount of any monthly payment by the end of 15 calendar days after the date it is due, Borrower will pay a late charge to the Lender. The amount of the charge will be 5.000 % of the overdue payment of principal and interest. Borrower will pay this late charge promptly but only once on each late payment. The late charge is not in lieu of any other remedy of Lender, including any default remedy, and will not be charged if such charge would constitute interest in excess of the maximum permitted by state law.
5. **Borrower's Right to Prepay:** Borrower has the right to make payments of principal at any time before they are due. A payment of principal only is known as a "prepayment." When Borrower makes a prepayment, Borrower will tell the Note Holder in writing that Borrower is doing so.
6. **Renewal and Extension of Maturity:** It is the intention of the parties that all liens and security interests described in the Security Instrument are hereby renewed and extended (if the Maturity Date of the original Note has been changed) until the indebtedness evidenced by the Note, as renewed, modified, and extended (if the Maturity Date of the original Note has been changed) hereby, has been fully paid. Lender and Borrower acknowledge and agree that such extension (if the Maturity Date of the original Note has been changed), renewal, amendment, modification, or rearrangement shall in no manner affect or impair the Note or the liens and security interests securing same, the purpose of this Agreement being simply to extend (if the Maturity Date of the original Note has been changed), modify, amend or rearrange the time and the manner of payment of the Note and the indebtedness evidenced thereby, and to carry forward all liens and security interests securing the Note (including if applicable any and all vendor's liens securing the Note), which are expressly acknowledged by the Borrower to be valid and subsisting, and in full force and effect so as to fully secure the payment of the Note. The Borrower hereby expressly waives the benefit of any and all statutes of limitation which

might otherwise inure to Borrower's benefit, or be in any way applicable to Borrower's obligations under the terms of any and all instruments described herein.

7. **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 the Borrower is sold or transferred and the Borrower is not a natural person) without the Lender's prior written consent, the Lender may, at its option, require immediate payment in full of all sums secured by the Security Instrument. If the Lender exercises this option, the Lender shall give the 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 the Borrower must pay all sums secured by this Security Instrument. If the Borrower fails to pay these sums prior to the expiration of this period, the Lender may invoke any remedies permitted by the Security Instrument without further notice or demand on the Borrower.
8. **Usury:** No provisions of this Agreement or the Note or any instrument evidencing or securing the Note, or otherwise relating to the indebtedness evidenced by the Note, shall require the payment or permit the demand, collection, application or receipt of interest in excess of the maximum permitted by applicable state or federal law. If any excess of interest in such respect is herein or in any such other instrument provided for, or shall be adjudicated to be so provided for herein or in any such instrument, the provisions of this paragraph shall govern, and neither Borrower nor any endorser or guarantor of the Note nor their respective heirs, personal representatives, successors or assigns shall be obligated to pay the amount of such interest to the extent it is in excess of the amount permitted by applicable law. It is expressly stipulated and agreed to be the intent of Borrower and Lender to at all times comply with the usury and other laws relating to the Note and the Security Instrument and any subsequent revisions, repeals or judicial interpretations hereof, to the extent applicable thereto. In the event Lender ever receives, collects or applies as interest any such excess, including but not limited to any "late charges" collected, such amount which would be excessive interest shall be applied to the reduction of the unpaid principal balance of the Note, and, if upon such application the principal balance of the Note is paid in full, any remaining excess shall be forthwith paid to Borrower and the provisions of the Note and the Security Instrument shall immediately be deemed reformed and the amounts thereafter collectible thereunder reduced, without the necessity of execution of any new document, so as to comply with the then applicable law, but so as to permit the recovery of the fullest amount otherwise called for thereunder. In determining whether or not the interest paid or payable under any specific contingency exceeds the maximum interest allowed to be charged by applicable law, Borrower and Lender shall, to the maximum extent permitted under applicable law, amortize, prorate, allocate and spread the total amount of interest throughout the entire term of the Note so that the amount or rate of interest charged for any and all periods of time during the term of the Note is to the greatest extent possible less than the maximum amount or rate of interest allowed to be charged by law during the relevant period of time.
9. **Release and Waiver of Other Claims:** In consideration of the modification of certain provisions of the Note and Security Instrument, all as herein provided, and the other benefits received by Borrower hereunder, Borrower hereby RELEASES, RELINQUISHES, and forever DISCHARGES Lender, as well as its predecessors, successors, assigns, agents, officers, directors, employees and representatives, of and from any and all claims, demands, actions and causes of action of any and every kind of character, whether known or unknown, present or future, which Borrower may have against Lender, and its predecessors, successors, assigns, agents, officers, directors, employees and representatives, arising out of or with respect to any and all transactions relating to the Note and the Security Instrument occurring prior to the date hereof, including any loss, cost or damage, of any kind or character, arising out of or in any way connected with or in any way resulting from the acts, actions or omissions of Lender, and its predecessors, successors, assigns, agents, officers, directors, employees, and representatives, including any breach of fiduciary duty, breach of any duty of fair dealing, breach of confidence, breach of funding commitment, undue influence, duress, economic coercion, conflict of interest,

negligence, bad faith, malpractice, violations of the Racketeer Influenced and Corrupt Organizations Act, intentional or negligent infliction of mental distress, tortious interference business advantage, breach of contract, deceptive trade practices, libel, slander, conspiracy or any claim for wrongfully accelerating the Note or wrongfully attempting to foreclose on any collateral relating to the Note, but in each case only to the extent permitted by applicable law.

10. **Loan Documentation:** As amended hereby, the provisions of the Note and Security Instrument shall continue in full force and effect, and the Borrower acknowledges and reaffirms Borrower's liability to Lender thereunder. In the event of any inconsistency between this Agreement and the terms of the Note and Security Instruments, this Agreement shall govern. Nothing in this Agreement shall be understood or construed to be a satisfaction or release in whole or in part of the Note and Security Instrument. Except as otherwise specifically provided in this Agreement, the Note and Security Instrument will remain unchanged, and the Borrower and Lender will be bound by, and comply with, all of the terms and provisions thereof, as amended by this Agreement. Any default by Borrower in the performance of its obligations herein contained shall constitute a default under the Note and Security Instrument, and shall allow Lender to exercise all of its remedies set forth in said Security Instrument.
11. **Partial Invalidity:** In the event any portion of the sums intended to be secured by this Agreement cannot be lawfully secured, payments in reduction of such sums shall be applied first to those portions not secured.
12. **Co-Signer Liability:** Any Co-signer who signs this Agreement but has not executed the Note is co-signing this Agreement only to mortgage, grant and convey that Co-signer's interest in the Property under the terms of this Agreement. Co-signer is not personally obligated to pay the sums secured by the Security Instrument, and agrees that Lender and Borrower may agree to extend, modify, forbear or make any accommodations with regard to the terms of the Note or the Security Instrument, without Co-signer's consent.
13. **Hazardous Substances:** Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property that is in violation of any Environmental Law. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property. 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 in this Paragraph 13, "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. As used in this Paragraph 13, "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection.
14. **Miscellaneous:** Borrower hereby agrees to pay all costs and expenses incurred by Lender in connection with the execution and administration of this Agreement, the renewal and extension (if the Maturity Date of the original Note has been changed) and modification of the Note and Security Instrument and any other documents executed in connection herewith.
Lender does not, by its execution of this Agreement, waive any rights it may have against any person not a party hereto.

This Agreement may be executed in multiple counterparts, each of which shall constitute an original instrument, but all of which shall constitute one and the same Agreement.

15. **No Oral Agreements:** The written Loan Agreements represent the final agreements between the parties and may not be contradicted by evidence of prior, contemporaneous, or subsequent oral agreements of the parties.

There are no unwritten oral agreements between the parties.

EXECUTED as of the day and year first above written.

Steven L. Johnson
Steven L. Johnson (Borrower)

Carla A. Johnson
Carla A. Johnson (Borrower)

(Borrower)

(Borrower)

ACCEPTED AND AGREED TO BY THE OWNER
AND HOLDER OF SAID NOTE:
Associates Housing Finance, LLC

By: Carla A. Johnson

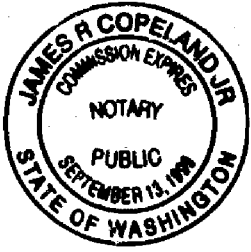
Title: Loan Processor

[Acknowledgement(s) Attached]

STATE OF WASHINGTON, }
County of Skamania } ss. ACKNOWLEDGMENT - Individual

On this day personally appeared before me Steven L. Johnson and
Carla A. Johnson to me known
to be the individual(s) described in and who executed the within and foregoing instrument, and acknowledged that they
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 26 day of March, 19 99.



J H Cope
Notary Public in and for the State of Washington,
residing at Stevenson

My appointment expires 9-13-99

STATE OF WASHINGTON, }
County of _____ } ss. ACKNOWLEDGMENT - Corporate

On this _____ day of _____, 19____, before me, the undersigned, a Notary Public in and for the State of
Washington, duly commissioned and sworn, personally appeared _____
_____ and _____ to me known to be the
_____ President and _____ Secretary, respectively, of _____
_____ the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary
act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that _____
authorized to execute the said instrument and that the seal affixed (if any) is the corporate seal of said corporation.


Witness my hand and official seal hereto affixed the day and year first above written.

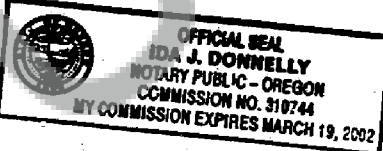
WA-46A (11/96)

Notary Public in and for the State of Washington,
residing at _____

My appointment expires _____

This jurat is page _____ of _____ and is attached to _____ dated _____

STATE OF WASHINGTON OK ss. ACKNOWLEDGMENT - Individual
 County of Clackamas
 On this day personally appeared before me CARLA MELCHER to me known
 to be the individual(s) described in and who executed the within and foregoing instrument, and acknowledged that
 signed the same as her free and voluntary act and deed, for the uses and purposes therein mentioned.
 GIVEN under my hand and official seal this 9th day of April, 19 99

Ida J. Donnelly
 Notary Public in and for the State of Washington, OR
 residing at _____
 My appointment expires 03/19/2002

STATE OF WASHINGTON OK ss. ACKNOWLEDGMENT - Corporate
 County of Clackamas
 On this 9th day of April, 19 99, before me, the undersigned, a Notary Public in and for the State of
Washington, duly commissioned and sworn, personally appeared Janet McCaslin
 and Lori McCartney to me known to be the
 President and Secretary, respectively, of Associates Housing Finance
 the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary
 act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that
 authorized to execute the said instrument and that the seal affixed (if any) is the corporate seal of said corporation.
 Witness my hand and official seal hereto affixed the day and year first above written.

Ida J. Donnelly
 Notary Public in and for the State of Washington,
 residing at _____
 My appointment expires 03/19/2002
 WA-46A (11/96)

This jurat is page _____ of _____ and is attached to _____ dated _____

EXHIBIT "A"

A tract of land in the Southeast Quarter of the Southeast Quarter of Section 15, Township 3 North, Range 10 East of the Willamette Meridian, in the County of Skamania, State of Washington, described as follows:

Beginning at the Southwest corner of the Southeast Quarter of the Southeast Quarter of said Section 15; thence North $00^{\circ} 24'$ East 880 feet along the West line of said subdivision; thence South $00^{\circ} 24'$ West 280.5 feet to the True Point of Beginning; thence North $89^{\circ} 43'$ East 233 feet; thence $00^{\circ} 24'$ West 187 feet; thence South $89^{\circ} 43'$ West 233 feet to the said West line of said Southeast Quarter of the Southeast Quarter of said Section 15; thence North along said West line to the True Point of Beginning.

TOGETHER WITH an easement for ingress, egress, and utilities over the South 10 feet of Lot 3, as shown on the recorded Short Plat.