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WASHINGTON MUTUAL, c/o Data Plex 19031 33rd Ave West, MS 116DPWA Lynnwood, WA 98036

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[City]

WASHINGTON-Single Family - Fam

DEED OF TRUST

01-0978-001452491-2

03-08-08-0-0-0217

K/119196P 512222

THIS DEED OF TRUST ("Security Instrument") is made on <u>June 3rd</u>, 1999
The grantor is <u>KEVIN WILLIAMS</u> and SUSAN WILLIAMS, husband and wife

Washington 98610

('Borrower'). The trustee is <u>SKANANIA COUNTY TITLE COMPANY</u>, a <u>Washington Corporation</u> ('Trustee'). The beneficiary is <u>Washington MUTUAL BANK</u>, a <u>Washington Corporation</u>, which is organized and existing under the laws of <u>Washington</u> and whose address is 1201 THIRD AVENUE, SEATTLE, WA 98101 ("Lender"). Borrower owes Lender the principal sum of ONE HINDRED STATY THOUSAND & 00/100—

Dollars (U.S. \$160,000,00). This debt is evidenced by Borrower's note dated the same date as this Security Instrument ("Note"), which provides for monthly payments, with the full debt, I not paid earlier, due and payable on March 1st. 2014 Security instrument secures to Lender: (a) the repayment of the debt evidenced by the Note, with interest, and all renewals, extensions and modifications of the Note; (b) the payment of all other sums, with interest, advanced under paragraph 7 to protect the security of this Security Instrument; and (c) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower irrevocably grants and conveys to Trustee, in trust, with power of sale, the following described property located in <u>skamanta</u> County, Washington: A TRACT OF LAND IN THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 8, TOWNSHIP 3 NORTH, RANGE 8 EAST OF THE WILLAMETTE MERIDIAN, IN THE COUNTY OF SKAMANIA, STATE OF WASHINGTON, DESCRIBED AS FOLLOWS: LOT 2 OF THE HEGEWALD SHORT PLAT NO. 1, RECORDED IN BOOK 2 OF SHORT PLAT, PAGE 187, SKAMANIA COUNTY RECORDS. which has the address of 1902 BEAR CREEK ROAD

[Zip

TO BE RECORDED

("Property Address");

ie Mac UNIFORM INSTRUMENT Form 3048 9/90 (page 1 of 6 pages)

Loan #: 01-0978-001452491-2

many and the state of the state

TOGETHER WITH all the improvements now or hereafter erected on the property, and all essements, appurtenances, fistures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security ment. All of the foregoing is referred to in this Security instrument as the "Property."

BORROWER COVENANTS that Borrower is lawfully select of the estate hereby conveyed and has the right to grant convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record. THIS SECURITY INSTRUMENT combines uniform covenants for national uses and non-uniform covenants with limited attorned by juriediction to constitute a uniform security instrument covering real property.

THIS SECURTLY INSTRUMENT combines uniform occariants for national use and non-uniform occariants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

LINEOPHI COVERNATIS. Borrower and Lender coverant and agree as follows:

1. Peywest of Principal send inversed; Prepayment and Lett Charges. Borrower shall promptly pey when due the principal of and interest on the debt evidenced by the Note and any prepayment and Lett Charges. Borrower shall promptly pey when due the principal of and interest on the debt evidenced by the Note and any prepayment and Lett wave by the Note. Borrower shall pey toxes and assessments which may state priority over this Security instrument as a lien on the Property (i) yearly leasted in the Note. The Note is paid in fulf, a sum ("Funds") lot (a) yearly payments or ground within may state priority over this Security instrument as a lien on the Property (i) yearly leasted insurance premiums. If any, and (i) any summary of the Property, if any; (c) yearly hexard or property insurance premiums. (i) yearly increase premiums, if any, and (ii) any summary of the property insurance premiums. The angular property in the property (ii) yearly leasted insurance premiums. The angular property insurance premiums. The angular property insurance premiums. The summary of the the summary o

the paragraph. If Borrower makes these payments directly, Borrower shall promptly furnish to Lender receipts evidencing the payments.

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

B. Hazzard or Property Insurance. Borrower shall keep the improvements now existing or hereafter erected onthe Property Insurance against loss by fire, hazards included within the term "extended coverage" and any other hazards, including floods or flooding, for which Lender requires insurance. This insurance shall be chosen by Borrower subject to Lender's periods that Lender requires. The insurance shall be chosen by Borrower subject to Lender may, at Lender's option, obtain coverage to protect Lender's rights in the Property in accordance with paragraph 7.

Lender's option, obtain coverage to protect Lender's rights in the Property in accordance with paragraph 7.

Lender shall have the right to hold the policies and renewals. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. In the event of loss, Borrower shall give prompt notice to the insurance

Page 2 of 6

Carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

Unless Lender and Borrower otherwise agree in writing, Insurance proceeds shall be applied to restoration or repair of the Property demaged, if the restoration or repair is economically feasible and Lender's security is not isseemed. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security instrument, whether or not then due, with any excess paid to Borrower. If Borrower abandons the Property, or does not answer within 30 days a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay sums secured by this Security Instrument, whether or not then due. The 30-day period will begin when the Property or to pay sums secured by the Security Instrument, whether or not then due. The 30-day period will begin when postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of the payments. If under paragraph 21 the Property is acquired by Lender, Borrower's right to any Insurance policies and procueds resulting instrument Immediately prior to the acquiretion by the Security Instrument Immediately prior to the acquiretion of the Property as Borrower's principal residence for at least one year after the date of occupancy, unless Lender otherwise agrees in writing, which convert shall not be destroy, demage or impair the Property and occupy, unless Lender otherwise agrees in writing, which convert shall not be unvessorably withheld, or unless extension governations to occupantly instrument and shall continue to occupy the Property as Borrower's principal residence for at least one year after the date of occupancy, unless Lender otherwise agrees in writing, which convert shall not be unvessorably withheld, or unless extension of proceeding to be di

In writing.

7. Protection of Lender's Rights in the Property. If Borrower fails to perform the covenants and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, probats, for condemnation or forfeiture or to enforce laws or regulations), then Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. In court, paying reasonable attorneys' fees and entering on the Property to make repairs. Alti-sugh Lender may take action under this paragraph 7, Lender does not have to do so.

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

the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

8. Mortgage insurance. If Lender required mortgage insurance as a condition of making the toan secured by this Security instrument, Borrower shall pay the premiums required to maintain the mortgage insurance in effect. If, for any reason, the mortgage insurance coverage required by Lender lapses or ceases to be in effect, Borrower shall pay the premiume required to obtain coverage substantially equivalent to the mortgage insurance previously in effect, at a cost insurance previously in effect, and a cost insurance entered and the payable payable insurance previously in effect, and a cost insurance entered and the payable payable insurance previously in effect, and a cost insurance entered and the payable payable insurance coverage is not available. Borrower shall pay the control of the property insurance coverage in the amount and for the period that Lender requires provided by an insurer approved by Lender sagain, becomes available and is obtained. Borrower shall pay the premiume required to maintain mortgage insurance in effect, or to provide a lose reserve, until the requirement for mortgage insurance ends in accordance with any written effect, or to provide a lose reserve, until the requirement for mortgage insurance ends in accordance with any written to provide a lose reserve, until the requirement for mortgage insurance ends in accordance with any written again, becomes any and any any and any appearance in the property in the provided as a cost of the property in the provided and the payable payable law.

9. Interportation. The proceeds of any award or claim for damages, direct or consequential, in connection with any grades of the property immediately before the taking is equal to the partial taking of the Property in mediately before the tak

cherwise provides, the proceeds shall be applied to the sums secured by this Security instrument whether or not the sums are then dus.

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 falls to respond to Lender within 30 days after the date the notice is given. Lender is authorized to collect and apply the proceeds, at its option, either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of such payments.

11. Borrower Not Released; Forthearance By Lender Not a Walver. Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to any successor in interest of Borrower's successors in Interest. But all the sums secured by the original Borrower or Borrower's successors in Interest. Cander In a successor of any demand made by the original Borrower or Borrower's successors in Interest. Any forbearance by Lender in exercising any right or remedy shall not be a walver of or preclude the exercise of any right or remedy.

12. Successors and Assigns Bound; Jeint and Several Liability; Co-eigeners. The covenants and agreements of this Security Instrument but does not execute the Note: (a) is oc-eigning this Security Instrument only to mortigage, grant and convey that Borrower's interest in the Property under the terms of the Security Instrument only to mortigage, grant and convey that Borrower's interest in the Property under the terms of the Security Instrument only to mortigage, grant and convey that secured by this Security instrument or the Note without that Borrower's restrict in the Property under the terms of this Security Instrument or the Note w

or make any accommodatoria with regard to the writter of this Security instrument is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan stoced the permitted limbs, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limbs; and (b) any sume already collected from Borrower which exceeded permitted limbs will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any propayment charge under the Note.

14. Necess. Any notice to Borrower provided for in this Security instrument shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Properly Address or any other address borrower designates by notice to Lender shall be given by first class mail to Lender's address stated herein or any other address lander designates by notice to Borrower. Any notice provided for in this Security instrument shall be deemed to have been given to Borrower or Lender when given as provided in this paragraph.

provided for in the security merument and to be a security instrument shall be governed by federal law and the law of the 1st. Governing Law; Severability.

It is country instrument shall be governed by federal law and the law of the confliction in which the Property is located. In the event that any provision or clause of this Security Instrument or the Note which can be given effect without conflicting provision. To this end the provisions of this Security Instrument and the Note are declared to be accepted.

conflicts with applicable laws, such conflict shall not effect other provisions of this Security Instrument or the Note writin can be given effect without conflicting provision. To this end the provisions of this Security Instrument and the Note are declared to be everable.

18. Berrewer's Capy. Borrower shall be given one conformed copy of the Note and of this Security Instrument.

17. Transfer of the Property or a Beneficial Interest it Borrower. If all or any part of the Property or any interest in it is acid or transferred (or if a beneficial Interest it Borrower is sold or transferred and Borrower is not a natural person) without Lander's prior writion concern, Lender may, at its option, require Immediate payment in full of all sums secured by the Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument. Lender shall give Borrower notice of acceleration. The notice shall provide a period of If Lender secretaes this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date to pay these sums prior to the expiration of this period, Lender may Invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

18. Berrewer's Right to Reinstate. If Borrower meets certain conditions, Borrower, shall have the right to have applicable law may appeally for instrument discontinued at any time prior to the serier of: (a) 5 days (or auch other period as applicable law may appeally for instrument before sale of the Property pursuent to any power of sale contained in this Security Instrument, Inducting, but not limited to, associable attorneys' feet; and (d) takes such action as Lender may reasonably require to assure that the field of this Security Instrument. Lender's epity and Borrower is bilingation to pay the sume secured by this Security Instrument and the obligations sourced hereby shall remain fully eff

Washington 1529D (02-97)

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Properly that is in violation of any Envistorage on the Property of small quar normal recidential uses and to mainten. Borrower shall premptly give Ler governmental or regulatory agency or Law of which Borrower has actual know that any removal or other remediation promptly take all necessary remedial ac As used in this paragraph 20, "the by Environmental Law and the following pesticides and herbicides, volatile solvated in the paragraph 20, "Environmenthat relate to health, safety or environmenthat and the previous of agreement united any overeastion; flooring to severe the three same secured by this Security in the same secured by this Security in the transport of education and environmenthal provided in this paragraph 21, include the three safety in interment without permitted by applicable law. Lender involves the power of adequals and of Lender's efection to regarding nettes of safe and shall give After the time required by applicable law. Lender the time required by applicable law or the pure of the Property for a partial or prefitted in the nettes of safe. Lender or in Trustee shall deliver to the pure acquired supposed or implied. The recitals in the media therein. Trustee shall deliver to the pure acquired supposed in the nettes of safe. The recitals in the media therein. Trustee shall deliver to the pure acquired supposed or implied. The recitals in the media therein.	ntities of Hezardous Substances the arcs of the Property. Inder wither notice of any investigat private party involving the Property involving the Property of the party involving the Property visions. If Borrower learns, or is no of any Hezardous Substances at those substances are those substances: gesoline, kerosene, verts, meterials containing asbesto fal Law' means factoral laws and les intellements and Law' means factoral laws and les intellements and Lander further covener Lander shall give notice to Borrower and Lender further covener Lander shall give notice to Borrower and Lander further notice is gladefault on or before the date apectument and sale of the Property for the intellement and sale of the Property for the intellement and also of the first any of the be included in the notice by a s. Lander at the option may require further demand and may involve a sale, Lander shall give written not eases the Property to be sold, a such reduces to Borrower and the sale of the Property to the sold of the property and the sold of the property to the property and the p	is entences shall not apply to that are generally recognized to tion, claim, demand, lawault or a y and any Hazardous Substance diffied by any governmental or refetcing the Property is necessarial Law, betances defined as toxic or hazother flammable or toxic petroles or formaldshyde, and radioas with a function where the intended of the jurisdiction where the intended of the jurisdiction where the intended of the acceleration where to Berrower, by which the lifed in the notion may result by at public auction at a determined of Berrower to ghit to reinstate after acceleration where defence of Borrower to philose to the power of eale and amagnitude of the property of the acceleration of the power of eale and amagnitude of the power of the country of the trustee, while or at the time and place and are trustee determines. Trustee by public announcement at the porty at any sale, he Property without any covers a facile ovidence of the trust of the trust of the trust of the property without any covers a facile ovidence of the trust of the t	ything affecting the e presence, use, or be appropriate to other action by any e or Environmental sputatory authority, ury, Borrower shall ardous substances um products, toxic other materials. As Property is located owing Borrower's for paragraph 17 quired to cure the end doubt must be in ecceleration of mot less than 120 kilon, the right to acceleration and sort less than 120 kilon, the right to acceleration and sort less than 120 kilon, the right to acceleration and sort less than 120 kilon, the right to acceleration and sort less than 120 kilon, the right to acceleration and sort less than 120 kilon, the right to acceleration and sort less than 120 kilon, the remedies its evidence. See of an event of all sums secured of the remedies the evidence of an event of all sums are postpone elime and place.
	BOTTON AT MANAGEMENT CONTRACTOR	lowing order: (a) to all expense; (b) to all sume secured	ees of the sale, by this Security
me county in which the sale took place			uperior court of
returnent to Trustee. Trustee shall room not amount allowed by applicable law, 23. Substitute Trustee. In accord or any Trustee appointed horsunder who succeed to all the life. Downs and it states	nvey the Properly without warranty Such person or persons shall pay a sence with explicable law, Lender r has seemed to act. Without conve	and Lender shall charge Borro and Lender shall charge Borro any recordation coets. The strom time to time appoint a yence of the Property, the succe	i by this Security wer a release fee
25. Filders to this Country In-	is in not used buricibelly for adricul	tural or farming purposes.	acorded together
with this Security instrument, the coverna and supplement the covenants and au- restrument. [Check applicable box(es)]	sements of this Security Instrument	rider shall be incorporated into nt as if the rider(s) were a par	and shall amend
annual sw(co)			
Adjustable Rate Rider	Condominium Rider	1-4 Family I	Rider
Graduated Payment Rider	Planned Unit Developmer		syment Rider
Balloon Rider XX Other(s) [specify] Construc	Rate Improvement Rider	Second Ho	
BY SIGNING BELOW, Borrower nstrument and in any rider(s) execute	r accepts and agrees to the term id by Borrower and recorded wi	ns and covenants contained the it.	in this Security
		<i>y</i>	
Vashington			
529E (02-97)	Page 5 of 6		

Red Hot British St. Commence of the Sec.

Loan #: 01-0978-001452491-2 to me known to be the individual(s) described in and who executed the foregoing instrument, and acknowledged to me that he/she/they signed and sealed the said instrument his/her/their free and voluntary act and deed, for the uses and purposes therein mentioned. WITNESS my hand and official seal affixed the day and year in this certificate above written. My Commission expires: 1-29-200/ REQUEST FOR RECONVEYANCE TO TRUSTEE: The undersigned is the holder of the note or notes secured by this Deed of Trust. Said note or notes, together with all other indebtedness secured by this Deed of Trust, have been paid in full. You are hereby directed to cancel said note or notes and this Deed of Trust, which are delivered hereby, and to reconvey, without warranty, all the setate now held by you under this Deed of Trust to the person or persons legally entitled thereto. DATED: WASHINGTON MUTUAL BANK a corporation Mail reconveyance to Page 6 of 6 TO BE RECORDED

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WASHINGTON MUTUAL c/o Data Plex 19031 33rd Ave West, MS 116DFWA Lynnwood, WA 98036

Washington CONSTRUCTION TERM RIDER TO SECURITY INSTRUMENT Mutual (Combination Construction and Permanent Loan)

Conservation by Contract Contr

Loan #:01-0978-001452491-2

THIS CONSTRUCTION TERM RIDER TO SECURITY INSTRUMENT ('Rider') is made this 3rd day of June, 1999 , and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Deed to Secure Debt and Security Agreement of the same date, as modified by any other addendums or riders thereto (the Security Agreement of the same case, as incomed by any other accendums or noers thereto (the "Security Instrument"), which has been given by the undersigned (the "Borrower") to secure Borrower's Note of the same date to WASHINGTON MUTUAL BANK, a Washington

Corporation (the "Lender"), as modified by any addendums or riders thereto, which Security Instrument covers the property described therein and located at the address shown below (the "Property"):

1902 BEAR CREEK ROAD, CARSON, WA 98610 (Properly Address)

Defined terms in the Note or the Security Instrument shall have the same meaning when used herein. To the extent that this Rider conflicts with the terms and conditions set forth in the Security Instrument, the terms and conditions set forth in this Rider shall control.

THE TERMS OF THE BORROWER'S LOAN PROVIDE FOR BOTH CONSTRUCTION AND PERMANENT FINANCING. THIS RIDER SETS FORTH THE PAYMENT TERMS AND CERTAIN OTHER PROVISIONS OF THE BORROWER'S LOAN APPLICABLE TO THE CONSTRUCTION LOAN PERIOD. THE SECURITY INSTRUMENT SECURES **FUTURE ADVANCES.**

ADDITIONAL COVENANTS. The Lender, the Borrower, and the Borrower's construction contractor have entered into a construction loan agreement (the "Construction Loan Agreement") which provides for the construction of a one to four family residence (which may be a manufactured or modular home) and certain other improvements (the "improvements") on the Property. Accordingly, and in addition to the covenants and agreements made in the Note, Borrower and Lender further covenant and agree as follows:

TO BE RECORDED

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Loan #:01-0978-001452491-2

CONSTRUCTION LOAN AGREEMENT SECURED BY SECURITY INSTRUMENT.

The Security Instrument also secures performance of my obligations under the Construction Loan Agreement. If I am in default under the Construction Loan Agreement, I will also be in default under the Note and Security Instrument, and the Lender shall be entitled to exercise all remedies for default permitted by the Note and/or the Security Instrument. While I am making interest only payments as provided in the first paragraph of Section B below, the Security Instrument shall be considered, for all intents and purposes, to be a "Construction Deed of Trust" (or as applicable, a Construction Mortgage or Deed to Secure Debt).

PAYMENT DURING CONSTRUCTION LOAN PERIOD.

Notwithstanding anything to the contrary in the Note or any other document related to my Loan, I will make payments of all accrued interest on the amount of funds actually disbursed by the Lender under the Construction Loan Agreement beginning on the 1st day of calendar months. I will begin making payments of principal and interest as provided in the Note on Moturbat transfer.

Notwithstanding the above, if construction of the Improvements has been completed in accordance with the provisions of the Construction Loan Agreement and the loan is fully disbursed prior to the due date of any interest only payment to be made under the immediately preceding paragraph, I will instead begin making payments of principal and interest as provided in the Note on the next Monthly Payment Date if requested to do so by the Lender.

SECURITY AGREEMENT.

The Security Instrument shall also constitute a Security Agreement with respect to all fixtures and personal property now or hereafter located at the Property and owned by Borrower, and with respect to all plans, permits, contracts, and payment and performance bonds in connection therewith, relating to construction of the improvements on the Property. The Security Agreement shall constitute a fixture filling with respect to any of the foregoing items which are deemed to be fixtures under applicable law. In the event of default, Lender shall have all rights and remedies with respect to such fedures and personal property as are available under applicable law including, without limitation, the rights and remedies available to a secured party under the Uniform Commercial Code of the State where the Property is located.

SALE OR TRANSFER OF PROPERTY DURING CONSTRUCTION LOAN PERIOD.

Any provisions in the Note and Security Instrument which permit me to sell or otherwise transfer the property without paying my loan off in full are inapplicable until construction of the improvements has been completed, the loan has been fully disbursed, and I have commenced making principal and interest payments as provided above.

Page 2 of 3

Loan #:01-0978-001452491-2

F. OCCUPANCY AS PRINCIPAL RESIDENCE.

Borrower's obligation pursuant to Section 6 of the Security Instrument to use the Property as Borrower's principal residence shall commence 60 days after construction of the improvements have been completed.

IN WITNESS WHEREOF, Borrower has executed this Construction Term Rider as of the day and year first written above.

the Management of the Control of the