

136831

BOOK 194 PAGE 983

FILED  
SMITHSONIAN  
CLARK COUNTY, WASH.

May 16 3 06 PM '99  
GARY M. OLSON

RETURN ADDRESS:

SUPERIOR BANK FSB  
ONE RAMLAND ROAD  
ORANGEBURG, NY 10962  
ATTN: RECORDED DOCUMENTS DEPT.

[Space Above This Line For Recording Data]

CCT-64676CM

ACCOUNT #: 0802709402

DEED OF TRUST

THIS DEED OF TRUST ("Security Instrument") is made on NOVEMBER 15, 1999  
The grantor is  
MICHAEL J POLEN AND SHERI SUE POLEN, HUSBAND AND WIFE

("Borrower").

The trustee is COMMONWEALTH LAND ("Trustee"). The beneficiary is Alliance Funding, a Division of Superior Bank FSB, which is organized and existing under the laws of THE UNITED STATES, and whose address is One Ramland Road Orangeburg, New York 10962 ("Lender").

Borrower owes Lender the principal sum of FIFTY-ONE THOUSAND TWO HUNDRED AND NO/100 Dollars (U.S. \$ 51,200.00). This debt is evidenced by Borrower's note date the same date as this Security Instrument ("Note"), which provides for monthly payments, with the full debt, if not paid earlier, due and payable on DECEMBER 01, 2014. This 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 SKAMANIA County, Washington.

This Property has the following abbreviated legal description:

LOT 201, OF NORTHWOODS  
COMMUNITY

Assessor's Tax Parcel ID# 96 000201

☒ Additional legal description is on page 8 of document

which has the address of LOT 201, OF NORTHWOODS COMMUNITY

COUGAR

[City]

, Washington

[Street]

98616

[Zip Code]

("Property Address");

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 additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property."

BORROWER COVENANTS that Borrower is lawfully seised of the estate hereby conveyed and has the right to grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

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

UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

1. **Payment of Principal and Interest; Prepayment and Late Charges.** Borrower shall promptly pay when due the principal of and interest on the debt evidenced by the Note and any prepayment and late charges due under the Note.

WASHINGTON - Single Family - FNMA/FHLMC UNIFORM INSTRUMENT  
DT304EA.WAM [IR 1/29/98]

ALOZ

Form 3048 5/96 (page 1 of 8 pages)



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

All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgage clause. 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 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 damaged, if the restoration or repair is 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 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 notice is given.

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 the payments. If under paragraph 21 the Property is acquired by Lender, Borrower's right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of the sums secured by this Security Instrument immediately prior to the acquisition.

**6. Occupancy, Preservation, Maintenance and Protection of the Property; Borrower's Loan Application; Leaseholds.** Borrower shall occupy, establish, and use the Property as Borrower's principal residence within sixty days after the execution of this Security Instrument and shall continue to occupy the Property as Borrower's principal residence for at least one year after the date of the occupancy unless Lender otherwise agrees in writing, which consent shall not be unreasonably withheld, or unless extenuating circumstances exist which are beyond Borrower's control. Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate, or commit waste on the Property. Borrower shall be in default if any forfeiture action or proceeding, whether civil or criminal, is begun that in Lender's good faith judgment could result in forfeiture of the Property or otherwise materially impair the lien created by this Security Instrument or Lender's security interest. Borrower may cure such a default and reinstate, as provided in paragraph 18, by causing the action or proceeding to be dismissed with a ruling that, in Lender's good faith determination, precludes forfeiture of the Borrower's interest in the Property or other material impairment of the lien created by this Security Instrument or Lender's security interest. Borrower shall also be in default if Borrower, during the loan application process, gave materially false or inaccurate information or statements to Lender (or failed to provide Lender with any material information) in connection with the loan evidenced by the Note, including, but not limited to, representations concerning Borrower's occupancy of the Property as a principal residence. If this Security Instrument is on a leasehold, Borrower shall comply with all the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger 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, probate, 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. Lender's actions may include paying any sums secured by a lien which has priority over this Security Instrument, appearing in court, paying reasonable attorneys' fees and entering on the Property to make repairs. Although 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.

**8. Mortgage Insurance.** If Lender required mortgage insurance as a condition of making the loan 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 premiums required to obtain coverage substantially equivalent to the mortgage insurance previously in effect, at a cost substantially equivalent to the cost to Borrower of the mortgage insurance previously in effect, from an alternate mortgage insurer approved by Lender. If substantially equivalent mortgage insurance coverage is not available, Borrower shall pay to Lender each month a sum equal to one-twelfth of the yearly mortgage insurance premium being paid by Borrower when the insurance coverage lapsed or ceased to be in effect. Lender will accept, use and retain these payments as a loss reserve in lieu of mortgage insurance. Loss reserve payments may no longer be required, at the option of Lender, if mortgage insurance coverage (in the



amount and for the period that Lender requires) provided by an insurer approved by Lender again becomes available and is obtained. Borrower shall pay the premiums required to maintain mortgage insurance in effect, or to provide a loss reserve, until the requirement for mortgage insurance ends in accordance with any written agreement between Borrower and Lender or applicable law.

**9. Inspection.** Lender or its agent may make reasonable entries upon and inspections of the Property. Lender shall give Borrower notice at the time of or prior to an inspection specifying reasonable cause for the inspection.

**10. 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 shall be paid to Lender.

In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the taking, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the taking, divided by (b) the fair market value of the Property immediately before the taking. Any balance shall be paid to Borrower. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is less than the amount of the sums secured immediately before the taking, unless Borrower and Lender otherwise agree in writing or unless applicable law otherwise provides, the proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due.

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 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; Forbearance By Lender Not a Waiver.** 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 shall not operate to release the liability of the original Borrower or Borrower's successors in interest. Lender shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason 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 waiver of or preclude the exercise of any right or remedy.

**12. Successors and Assigns Bound; Joint and Several Liability; Co-signers.** The covenants and agreements of this Security Instrument shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of paragraph 17. Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this Security Instrument but does not execute the Note: (a) is co-signing this Security Instrument only to mortgage, grant and convey that Borrower's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; 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 Security Instrument or Note without that Borrower's consent.

**13. Loan Charges.** If the loan secured by 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 exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit, and (b) any sums already collected from Borrower which exceeded permitted limits 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 prepayment charge under the Note.

**14. Notices.** 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 Property Address or any other address Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address stated herein or any other address Lender 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.



**15. Governing Law; Severability.** This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. In the event that any provision or clause of this Security Instrument or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision. To this end the provisions of this Security Instrument and the Note are declared to be severable.

**16. Borrower's Copy.** Borrower shall be given one conformed copy of the Note and of this Security Instrument.

**17. 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 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.

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 Security Instrument. If Borrower fails 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. Borrower's Right to Reinstate.** If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earlier of: (a) 5 days (or such other period as applicable law may specify for reinstatement) before sale of the Property pursuant to any power of sale contained in this Security Instrument; or (b) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees; and (d) takes such action as Lender may reasonably require to assure that the lien of this Security Instrument, Lender's rights in the Property and Borrower's obligation to pay the sums secured by this Security Instrument shall continue unchanged. Upon reinstatement by Borrower, this Security Instrument and the obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under paragraph 17.

**19. Sale of Note; Change of Loan Servicer.** The Note or a partial interest in the Note (together with this Security Instrument) may be sold one or more times without prior notice to Borrower. A sale may result in a change in the entity (known as the "Loan Servicer") that collects monthly payments due under the Note and this Security Instrument. There also may be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Borrower will be given written notice of the change in accordance with paragraph 14 above and applicable law. The notice will state the name and address of the new Loan Servicer and the address to which payments should be made. The notice will also contain any other information required by applicable law.

**20. 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 20, "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 20, "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection.

**NON-UNIFORM COVENANTS.** Borrower and Lender further covenant and agree as follows:

**21. Acceleration; remedies.** Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under paragraph 17 unless applicable law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to Borrower, by which the default must be cured; and



(d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument and sale of the Property at public auction at a date not less than 120 days in the future. The notice shall further inform borrower of the right to reinstate after acceleration, the right to bring a court action to assert the non-existence of a default or any other defense of Borrower to acceleration and sale, and any other matters required to be included in the notice by applicable law. If the default is not cured on or before the date specified in the notice, Lender at its option may require immediate payment in full of all sums secured by this Security Instrument without further demand and may invoke the power of sale and any other remedies permitted by applicable law. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 21, including, but not limited to, reasonable attorneys fees and costs of title evidence.

If Lender invokes the power of sale, Lender shall give written notice to Trustee of the occurrence of an event of default and of Lender's election to cause the Property to be sold. Trustee and Lender shall take such action regarding notice of sale and shall give such notices to Borrower and to other persons as applicable law may require. After the time required by applicable law and after publication of the notice of sale, 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 the Property for a period or periods permitted by applicable law by public announcement at the time and place fixed in the notice of sale. Lender or its designee may purchase the Property at any sale.

Trustee shall deliver to the purchaser 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 and attorneys' fees; (b) to all sums secured by this Security Instrument; (c) any excess to the person or persons legally entitled to it or to the clerk of the superior court of the county in which the sale took place.

22. **Reconveyance.** Upon payment of all sums secured by this Security Instrument, Lender shall request Trustee to reconvey the Property and shall surrender this Security Instrument and all notes evidencing debt secured by this Security Instrument to Trustee. Trustee shall reconvey the Property without warranty and without charge to the person or persons legally entitled to it. Such person or persons shall pay any recordation costs.

23. **Substitute Trustee.** In accordance with applicable law, Lender may from time to time appoint a successor trustee to any Trustee appointed hereunder who has ceased to act. Without conveyance of the Property, the successor trustee shall succeed to all the title, power and duties conferred upon Trustee herein and by applicable law.

24. **Use of Property.** The Property is not used principally for agricultural or farming purposes.

25. **Riders to this Security Instrument.** If one or more riders are executed by Borrower and recorded together with this Security Instrument, the covenants and agreements of each such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Security Instrument as if the rider(s) were a part of this Security Instrument.

[Check applicable box(es)]

- |  |   |   |
|--|---|---|
| <input type="checkbox"/> Adjustable Rate Rider                     | <input type="checkbox"/> Condominium Rider              | <input type="checkbox"/> 1-4 Family Rider       |
| <input type="checkbox"/> Graduated Payment Rider                   | <input type="checkbox"/> Planned Unit Development Rider | <input type="checkbox"/> Biweekly Payment Rider |
| <input type="checkbox"/> Balloon Rider                             | <input type="checkbox"/> Rate Improvement Rider         | <input type="checkbox"/> Second Home Rider      |
| <input checked="" type="checkbox"/> Other(s) [specify] ADDENDUM(S) |   |   |

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REQUEST FOR NOTICE OF DEFAULT AND  
FORECLOSURE UNDER SUPERIOR DEEDS TO SECURE DEBT, MORTGAGES  
OR DEEDS OF TRUST

Borrower and Lender request the holder of any deed to secure debt, mortgage, deed of trust or other encumbrance which has priority over this Deed of Trust to give notice to Lender, at Lender's address set forth on page one of this Deed of Trust, or at any other address for notice provided by Lender to such holder, of any default under any such superior instrument or encumbrance and of any sale or other action to enforce such superior instrument or encumbrance.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any rider(s) executed by Borrower and recorded with it.

Michael J. Polen (Seal)  
MICHAEL J. POLEN Borrower

Sheri Sue Polen (Seal)  
SHERI SUE POLEN Borrower

\_\_\_\_ (Seal)  
Borrower

\_\_\_\_ (Seal)  
Borrower

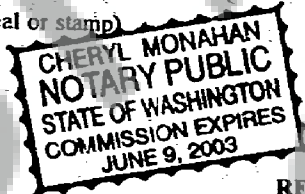
\_\_\_\_ (Seal)  
Borrower

\_\_\_\_ (Seal)  
Borrower

STATE OF Washington )  
COUNTY OF Clark ) ss.

On this day personally appeared before me Michael J. Polen & Sheri Sue Polen, to me known to be the individual, or individuals described in and who executed the within and foregoing instrument, and acknowledged that (he/she/they) signed the same as (his/her/their) free and voluntary act and deed, for the uses and purposes therein mentioned. Given under my hand and official seal this 15th day of November, 1999.

(Seal or stamp)



Cheryl Monahan  
Notary Public for the State of Washington

My appointment expires June 9, 2003

REQUEST FOR RECONVEYANCE  
(To Be Used Only When Note Has Been Paid)

TO: TRUSTEE

The undersigned is the holder of the Note and the owner of all other indebtedness secured by this Deed of Trust. The Note, together with all other indebtedness secured by this Deed of Trust has been paid in full. You are hereby directed to cancel that Note and this Deed of Trust, which are hereby delivered to you, and to reconvey, without warranty, all the estate now held by you under this Deed of Trust to the person or persons legally entitled to it.

Date: \_\_\_\_\_



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ADDITIONAL LEGAL DESCRIPTION

Lot 201, as shown on the Plat and Survey entitled Record of Survey for Waterfront Recreation, Inc., dated May 14, 1971, in file and of record under Auditor's File No. 73635, at page 306, of Book "J" of Miscellaneous Records of Skamania County, Washington.

TOGETHER WITH an appurtenant easement as established in writing on said plat for the joint use of the areas shown as roadways on the plat.

MP cf

BOOK 194 PAGE 991

ACCOUNT#: 0802709402

**ADDENDUM TO MORTGAGE/DEED OF TRUST/  
DEED TO SECURE DEBT/SECURITY DEED**

This ADDENDUM TO MORTGAGE/DEED OF TRUST/DEED TO SECURE DEBT/SECURITY DEED (also known as "Security Instrument") is made this 15th day of NOVEMBER, 1999, and is incorporated into and amends the Security Instrument of the same date given by the undersigned (the "Borrower") to secure Borrower's Note (the "Note") to Alliance Funding, a Division of Superior Bank FSB (the "Lender") of the same date and covering the Property described in the Security Instrument and located at:

LOT 201, OF NORTHWOODS COMMUNITY, COUGAR, WA 98616  
(Property Address)

In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further agree as follows:

1. The paragraph of the Security Instrument entitled, "Application of Borrower's Payments" or alternately "Application of Payments," is deleted in its entirety and the application of payments is governed by the Note.
2. Unless prohibited by applicable law, the paragraph of the Security Instrument entitled, "Acceleration; Remedies" or alternately "Lender's Rights if Borrower Fails to Keep Promises and Agreements," is supplemented by adding the following provisions:  
"Additionally, Lender may require immediate payment in full of the entire amount remaining unpaid under the Note and this Security Instrument, if:  
  - (1) On application of Lender, two or more insurance companies licensed to do business in the State in which the Property is located, refuse to issue policies insuring the buildings and improvements on the Property; or
  - (2) Borrower fails to make any payment required by a senior mortgage, deed of trust, deed to secure debt or other security instrument encumbering or affecting the Property or fails to keep any other promise or agreement in any senior mortgage, deed of trust, deed to secure debt or other security instrument encumbering or affecting the Property; or
  - (3) Any representation made or information given to Lender by Borrower in connection with Borrower's application for the loan evidenced by the Note is false or misleading in any material respect; or
  - (4) Borrower allows the Property to be used in connection with any illegal activity."
3. For a loan secured by Iowa real property:
  - a. The following sentence is added to the end of the paragraph of the Security Instrument entitled, "Release" or alternately "Redemption Period":  
"Borrower shall pay any recordation and/or official costs in connection with this mortgage."
  - b. Language is added to the Security Instrument as follows:

**"NOTICE TO BORROWER"**

I UNDERSTAND THAT HOMESTEAD PROPERTY IS IN MANY CASES PROTECTED FROM THE CLAIMS OF CREDITORS



AND EXEMPT FROM JUDICIAL SALE; AND THAT BY SIGNING THIS MORTGAGE, I VOLUNTARILY GIVE UP MY RIGHT TO THIS PROTECTION FOR THIS MORTGAGED PROPERTY WITH RESPECT TO CLAIMS BASED UPON THIS MORTGAGE."

4. The paragraph of the Security Instrument entitled, "Transfer of the Property or a Beneficial Interest in Borrower," is amended by changing the notice of default or acceleration to be at least 60 days if the loan is secured by a secondary lien on real property in the State of Connecticut and at least 35 days if the loan is secured by a lien on real property in the State of Oklahoma.
5. For a loan secured by Kansas real property, if the Security Instrument is Form 3017, the last sentence in the paragraph entitled, "Acceleration; Remedies," is deleted and replaced with the following:  
  
"Lender shall be entitled to collect all reasonable expenses incurred in pursuing the remedies provided in this paragraph, including but not limited to, reasonable attorneys' fees, to the extent allowed by applicable law."  
  
In addition, the paragraph entitled, "Attorneys' Fees," is deleted in its entirety.
6. For a loan secured by Ohio real property, the following language is added after the legal description section of the Security Instrument:  
  
"This mortgage is given upon the statutory condition. "Statutory Condition" is defined in Section 5302.14 of the Revised Code and provides generally that if Borrower pays the indebtedness and performs the other obligations secured by this mortgage, pays all taxes and assessments, maintains insurance against fire and other hazards and does not commit or permit waste, then this mortgage will become null and void."
7. For a loan secured by South Carolina real property:  
  
If the Security Instrument is Form 3041, the second sentence of the paragraph entitled, "Waivers," is deleted. If the Security Instrument is Form 3841 the paragraph entitled, "Waiver of Right of Appraisal," is deleted.
8. The paragraph of the Security Instrument entitled, "Law That Governs This Security Instrument/Mortgage" or alternately "Governing Law; Severability," is amended by deleting the first sentence and replacing it with the following language:  
  
"This Security Instrument shall be governed by federal law and, to the extent not inconsistent with or more restrictive than federal law or regulation governing Lender, the laws of the jurisdiction in which the Property is located."
9. If the Security Instrument is a second or junior priority Security Instrument, then a paragraph is added to the Security Instrument as follows:  
  
"**WAIVER OF RIGHT TO INCREASE PRIOR MORTGAGE/DEED OF TRUST.** Borrower hereby waives Borrower's rights if any, to increase any senior deed of trust, mortgage or other security instrument on the Property under any provision contained therein governing optional future advances,

and, to the extent permitted by law, waives Borrower's rights under any law which provides for an increase of said prior deed of trust, mortgage, deed to secure debt or other security instrument to pay for repairs, improvements, replacements, taxes, municipal liens, assessments or other charges on the Property. If, notwithstanding the foregoing waiver, such funds are advanced to or on behalf of Borrower, whether voluntarily or involuntarily, Borrower agrees that Lender, at its option, may accelerate the indebtedness secured hereby."

10. A provision is added to the Security Instrument as follows:

"Borrower hereby acknowledges receipt, without charge, of a true copy of the Security Instrument." ☒

11. Escrow Waiver

If the box above has been checked, Lender waives the requirement for Borrower to make payment to Lender for the escrow items referred to in the paragraph of the Security Instrument entitled, "Funds/Monthly Payments for Taxes and Insurance." Borrower shall pay these obligations on time directly to the person owed payment. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this paragraph, and receipts evidencing such payment.

Unless otherwise prohibited by applicable law, Lender reserves the right to require Borrower to make payment to Lender for the escrow items referred to in the paragraph of the Security Instrument entitled, "Funds/Monthly Payments for Taxes and Insurance," if Borrower defaults in the payment of such escrow items and such default is not cured within the time set forth in any notice sent to Borrower by Lender. Lender reserves such right even though Lender did not establish such escrow account as a condition to closing the loan. If Lender requires Borrower to make payments to Lender as provided herein, the provisions of the paragraph of the Security Instrument entitled, "Funds/Monthly Payments for Taxes and Insurance" will be in full force and effect.

12. A paragraph is added to the Security Instrument as follows:

"**FORCE PLACED INSURANCE.** Unless otherwise prohibited by applicable law, if Borrower does not provide Lender with evidence of insurance coverage (for any type of insurance that is required by Lender), Lender may purchase insurance at Borrower's expense to protect Lender's interests in Borrower's Property. This insurance may, but need not, protect Borrower's interests. The coverage that Lender purchases may not pay any claim that Borrower makes or any claim that is made against Borrower in connection with the Property. Borrower may later cancel any insurance purchased by Lender, but only after providing Lender with evidence that Borrower has obtained the required insurance. If Lender purchases insurance for the Property, Borrower will be responsible for the costs of that insurance, including the insurance premium, interest at the rate provided by the terms of the Note and any other charges that the Lender or the insurer may impose in connection with the placement of the insurance (for example, a fee from the carrier for processing the force placed insurance), until the effective date of the cancellation or expiration of the insurance. The costs of the insurance may be added to Borrower's total outstanding balance and secured by this Security Instrument. The costs may be more than the cost of insurance that Borrower may be able to obtain directly because Lender will be purchasing insurance under a general policy that does not consider Borrower's individual insurance situation."



13. A paragraph is added to the Security Instrument as follows:  
"Verification or reverification of the Property's valuation or any other information normally contained in an appraisal may be required as part of Lenders's ongoing quality control procedures. Borrower agrees to cooperate fully with Lender and/or its agents, successors or assigns in obtaining and completing a full appraisal in the future at Lender's sole option and expense."
14. If an Adjustable Rate Rider is executed in conjunction with the Security Instrument, such rider is amended by: a) deleting the section entitled, "Transfer of the Property or a Beneficial Interest in Borrower" and b) adding to the section entitled, "Interest Rate and Monthly Payment Changes" (D) "Limits on Interest Rate Changes," the following language:  
"My interest rate will never be less than N/A %"
15. If the Security Instrument is assigned or transferred, all or a portion of this Addendum may be voided at the option of the assignee or transferee. Any terms and provisions of this Addendum which are voided will be governed by the original terms of the Security Instrument.

  
MICHAEL J. POLEN Borrower

  
SHERI SUE POLEN Borrower

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Borrower

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Borrower

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Borrower

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Borrower

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ACCOUNT#: 0802709402

### PLANNED UNIT DEVELOPMENT RIDER

THIS PLANNED UNIT DEVELOPMENT RIDER is made this 15th day of NOVEMBER, 1999, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security Deed (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's Note to Alliance Funding, a Division of Superior Bank FSB (the "Lender") of the same date and covering the Property described in the Security Instrument located at:

LOT 201, OF NORTHWOODS COMMUNITY, COUGAR, WA 98616

[Property Address]

The Property includes, but is not limited to, a parcel of land improved with a dwelling, together with other such parcels and certain common areas and facilities, as described in

(the "Declaration"). The Property is a part of a planned unit development known as COUGAR WA

[Name of Planned Unit Development]

(the "PUD"). The Property also includes Borrower's interest in the homeowners association or equivalent entity owning or managing the common areas and facilities of the PUD (the "Owners Association") and the uses, benefits and proceeds of Borrower's interest.

**PUD COVENANTS.** In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

**A. PUD Obligations.** Borrower shall perform all of Borrower's obligations under the PUD's Constituent Documents. The "Constituent Documents" are the (i) Declaration; (ii) articles of incorporation, trust instrument or any equivalent document which creates the Owners Association; and (iii) any by-laws or other rules or regulations of the Owners Association. Borrower shall promptly pay, when due, all dues and assessments imposed pursuant to the Constituent Documents.

**B. Hazard Insurance.** So long as the Owners Association maintains, with a generally accepted insurance carrier, a "master" or "blanket" policy insuring the Property which is satisfactory to Lender and which provides insurance coverage in the amounts, for the periods, and against the hazards Lender requires, including fire and hazards included within the term "extended coverage," then:

(i) Lender waives the provision in Uniform Covenant 2 for the monthly payment to Lender of the yearly premium installments for hazard insurance on the Property; and

(ii) Borrower's obligation under Uniform Covenant 5 to maintain hazard insurance coverage on the Property is deemed satisfied to the extent that the required coverage is provided by the Owners Association policy.

AMCY

MULTISTATE PUD RIDER - Single Family - FOMA/FHLMC UNIFORM INSTRUMENT  
RD3150A.USM (1/8 3/14/98)

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Borrower shall give Lender prompt notice of any lapse in required hazard insurance coverage provided by the master or blanket policy.

In the event of a distribution of hazard insurance proceeds in lieu of restoration or repair following a loss to the Property or to common areas and facilities of the PUD, any proceeds payable to Borrower are hereby assigned and shall be paid to Lender. Lender shall apply the proceeds to the sums secured by the Security Instrument, with any excess paid to Borrower.

**C. Public Liability Insurance.** Borrower shall take such actions as may be reasonable to insure that the Owners Association maintains a public liability insurance policy acceptable in form, amount, and extent of coverage to Lender.

**D. Condemnation.** The proceeds of any award or claim for damages, direct or consequential, payable to Borrower in connection with any condemnation or other taking of all or any part of the Property or the common areas and facilities of the PUD, or for any conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender. Such proceeds shall be applied by Lender to the sums secured by the Security Instrument as provided in Uniform Covenant 10.

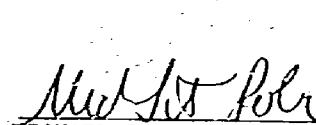
**E. Lender's Prior Consent.** Borrower shall not, except after notice to Lender and with Lender's prior written consent, either partition or subdivide the Property or consent to:

- (i) the abandonment or termination of the PUD, except for abandonment or termination required by law in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain;
- (ii) any amendment to any provision of the "Constituent Documents" if the provision is for the express benefit of Lender;
- (iii) termination of professional management and assumption of self-management of the Owners Association; or
- (iv) any action which would have the effect of rendering the public liability insurance coverage maintained by the Owners Association unacceptable to Lender.

**F. Remedies.** If Borrower does not pay PUD dues and assessments when due, then Lender may pay them. Any amounts disbursed by Lender under this paragraph F shall become additional debt of Borrower secured by the 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.

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BY SIGNING UNDER SEAL BELOW, Borrower accepts and agrees to the terms and provisions contained in this Condominium Rider.

  
MICHAEL J. POLEN (Seal)  
Borrower

  
SHERI SUE POLEN (Seal)  
Borrower

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(Seal)  
Borrower  
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(Seal)  
Borrower

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(Seal)  
Borrower  
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(Seal)  
Borrower

PLEASE RECORD AND RETURN TO:  
SUPERIOR BANK FSB  
ONE RAMLAND ROAD  
ORANGEBURG, NY 10962  
ATTN: RECORDED DOCUMENTS DEPT.

LOAN ID#: 0802709402

MULTISTATE PUD RIDER - Single Family - FNMA/FHLMC UNIFORM INSTRUMENT  
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