

148648

BOOK 242 PAGE 107

When Recorded Mail To:
ADDISON AVENUE FEDERAL CREDIT UNION
P.O. BOX 10302
PALO ALTO, CA 94303

FILED
SPRINGFIELD WASH
BY CLARK COUNTY TITLE

MAY 6 12 25 PM '03

Johny

J. MICHAEL S. RIVISON

Assessor's Parcel or Account Number:
01-05-11-2-0-0700-00

Abbreviated Legal Description:
LOT 2, OF SP2-14

Registered
Recorded
Index
Filed
Date

Full legal description located on the following page. [Include lot, block and plat or section, township and range]

Order No. 00085323
Account No. 363260-18

HOME EQUITY LINE OF CREDIT
Deed of Trust with Assignment of Rents

NOTICE: THIS DOCUMENT CONTAINS PROVISIONS FOR A VARIABLE ANNUAL PERCENTAGE RATE

THIS DOCUMENT SECURES OBLIGATIONS INCLUDING THE REPAYMENT OF OBLIGATORY
FUTURE ADVANCES. THIS DEED OF TRUST, made APRIL 22, 2003, between
MICHAEL M. LEON AND KATHERINE M. LEON, HUSBAND AND WIFE

herein called TRUSTOR, whose address is
711 RIVERSIDE DRIVE
WASHOUGAL, WA 98671

UPF INCORPORATED

, herein called TRUSTEE, and
ADDISON AVENUE FEDERAL CREDIT UNION, herein called
BENEFICIARY, WITNESSETH: That Trustor irrevocably grants, transfers, and assigns to Trustee in Trust,
with Power of Sale, that property in the County of SKAMANIA, State of
WASHINGTON, described as,

DDS-AOR

REV 05/00
Page 1

LOT 2 OF LARUE SHORT PLAT, RECORDED IN BOOK "2" OF SHORT PLATS, PAGE 14,
RECORDS OF SKAMANIA COUNTY, WASHINGTON.

together with the rents, issues and profits thereof, subject, however, to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply such rents, issues and profits.

The Agreement and this Deed of Trust are, at the option of the Beneficiary, subject to acceleration upon sale, conveyance, alienation, or assignment, as permitted by law.

For the Purpose of Securing:

(1) All of the obligations of Transfer under that certain agreement entitled "Open-End Variable Rate Agreement and Federal Disclosure Statement for Loans Secured by Real Estate" between the Trustor and Beneficiary and dated, **APRIL 22, 2003**, (hereinafter referred to as "Agreement"), as said Agreement may be modified (including without limitation, an extension of the Draw Period) or the obligations secured thereby may be extended, renewed, or replaced by other evidences or indebtedness from time to time. The Agreement provides for the payment of all sums of money with interest, at a rate or rates tied to an index and is, therefore subject to change from time to time, and other charges which may be paid out or advanced by, or otherwise due to Trustee or Beneficiary under the provisions of the Agreement and this Deed of Trust. The amount secured hereby as of the date of this Deed of Trust is the Trustor's Credit Limit of \$ 50,000.00 (hereinafter referred to as the "Credit Limit"). This amount may be increased by the Beneficiary upon the Trustor's request and may be decreased by the Beneficiary upon notice to the other parties to the Agreement.

(2) Payment, with interest thereon of any and all present or future indebtedness or obligations of Trustor (or any of them or any successor in interest to Trustor to the property) to Beneficiary, whether created directly or acquired by assignment, whether fixed or contingent, whether due or not, whether otherwise secured or not, or whether existing at the execution of this Deed of Trust or arising thereafter.

(3) Payment of such additional sums, with interest thereon, as may hereafter be advanced to Trustor, or his successors or assigns, when evidenced by an Agreement reciting that they are secured by this Deed of Trust, and all extensions, modifications and renewals of such additional advances.

(4) Payment, performance and discharge of every obligation, covenant and agreement of Trustor whether contained or incorporated by reference in this Deed of Trust, or contained in any document now or hereafter executed by Trustor in connection with the loan evidenced by the Agreement.

Variable Rate Loan. The Agreement secured by this Deed of Trust contains provisions which may result in increases in the Annual Percentage Rate or in the periodic installments. Reference is hereby made to the Agreement and to the Home Equity Rider attached to this Deed of Trust for provisions relating to such increases.

Agreement to Lend. Subject to the terms and conditions of the Agreement, the Beneficiary is obligated, for a period ending on the tenth (10th) anniversary date of the Agreement, (the "Draw Period Ending Date"), to advance to the Trustor an amount not to exceed the Credit Limit as disclosed in the Agreement, and the Beneficiary is establishing for the Trustor an Account in the amount of the Credit Limit. The minimum advance that the Trustor may draw is \$100.

The period during which the Trustor may obtain an advance under the Agreement is known as the Draw Period. The Credit Limit is the maximum amount of unpaid balance to which the Trustor will be entitled to draw upon during the Draw Period. Initial and subsequent advances shall be in accordance with the Beneficiary's current loan policy. During the Draw Period, the Trustor may request additional advances up to the Credit Limit by verbal or written request or by such additional credit devices as from time to time may be offered, in accordance with the terms of the Agreement. Future Advances will be added to the unpaid balance of the Account and will accrue FINANCE CHARGES. The term "Future Advances" includes but is not limited to, money advanced to

DDS-AOR

the Trustor in any form, money advanced to third parties at the Trustor's direction, and costs, fees, or other moneys advanced by the Beneficiary to protect its interest in the security.

The Trustor's payments during the term of the Draw Period of the Agreement of all or a portion of the then principal balance will result in a corresponding increase in credit available to the Trustor under the Agreement.

After the Draw Period ends, the Trustor understands, and agrees that he or she may no longer obtain advances and that he or she must repay the unpaid balance. This period shall be known as the Repayment Period. The length of the Repayment Period will be ten (10) years. The initial Draw Period ends on

APRIL 22, 2013, but may be extended by mutual agreement of Beneficiary and Trustor.

Subject to a mutual modification of the Agreement and this Deed of Trust, the maximum term of the Agreement is 20 years (including a 10 year Draw and a 10 year Repayment Period).

To Protect the Security of this Deed of Trust and with respect to the property above described, Trustor Agrees: To all the terms and provisions set forth above and contained in said subdivisions A and B, (attached hereto) which are by the within reference thereto, incorporated herein and made a part of this Deed of Trust for all purposes as fully as if set forth at length herein, and Beneficiary may charge for a statement regarding the obligation secured hereby, provided the charge therefor does not exceed the maximum allowed by law. Further, when used in said subdivisions A and B the terms note or notes shall mean Agreement.

The undersigned Trustor, requests that a copy of any notice of default and any notice of sale hereunder be mailed to him at his address hereinbefore set forth.

ADDITIONAL TERMS AND PROVISIONS

A. To protect the security of this Deed of Trust and with respect to the property above described, Trustor agrees:

(1) To keep said property in good condition and repair, not to remove or demolish any building thereon, to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged or destroyed thereon and to pay when due all claims for labor performed and materials furnished thereon, to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon, not to commit or permit waste thereof, not to commit, suffer or permit any act upon said property in violation of law; to cultivate, irrigate, fertilize, fumigate, prune and do all other acts which from the character or use of said property may be reasonably necessary, the specific enumerations herein not excluding the general.

(2) To provide, maintain and deliver to Beneficiary fire insurance and flood insurance if applicable satisfactory to and with loss payable to Beneficiary. The amount collected under any fire or other insurance policy (whether such insurance is required by Beneficiary or not) may be applied by Beneficiary upon any indebtedness secured hereby and in such order as Beneficiary may determine, or at option of Beneficiary the entire amount so collected or any part thereof may be released to Trustor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

(3) To appear in and defend any action or proceeding purporting to affect the security hereof or the rights of powers of Beneficiary or Trustee, and to pay all costs and expenses, including cost of evidence of title and attorney's fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear, and in any suit brought by Beneficiary to foreclose this Deed of Trust.

(4) To pay at least ten days before delinquency all taxes and assessments affecting said property, including assessments on appurtenant water stock; when due, all encumbrances, charges and liens, with interest, on said property or any part thereof, which appear to be prior or superior to this Deed of Trust; all costs, fees and expenses of this Deed of Trust.

Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation to do so and without notice to or demand upon Trustor and without releasing Trustor from any

DDS-AOR

REV 05/00
Page 3

obligation hereof, may: make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon said property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee, pay, purchase, contest or compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto; and, in exercising any such powers, pay necessary expenses, employ counsel and pay his reasonable fees.

(5) To pay immediately and without demand all sums so expended by Beneficiary or Trustee, with interest from date of expenditure at the amount allowed by law in effect at the date hereof, and to pay for any statement provided for by law in effect at the date hereof regarding the obligation secured hereby any amount demanded by the Beneficiary not to exceed the maximum allowed by law at the time when said statement is demanded.

B. It is mutually agreed:

(1) That any award of damages in connection with any condemnation for public use of injury to said property or any part thereof is hereby assigned and shall be paid to Beneficiary who may apply or release such moneys received by it in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.

(2) That by accepting payment of any sum secured hereby after its due date, Beneficiary does not waive its right either to require prompt payment when due of all other sums so secured or to declare default for failure to pay.

(3) That at any time or from time to time, without liability therefore and without notice, upon written request of Beneficiary and presentation of this Deed of Trust and said Agreement for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may: reconvey any part of said property; consent to the making of any map or plat thereof; join in granting any easement thereon, or join in any extension agreement or any agreement subordinating the lien or charge hereof.

(4) Upon demand by Trustee and upon payment of all sums secured by this Deed of Trust, Beneficiary shall request Trustee to reconvey the Property and shall surrender this Deed of Trust and Agreement evidencing debt secured by this Deed of Trust to Trustee. Trustee shall reconvey the Property without warranty to the person or persons legally entitled to it. Such person or persons shall pay any recordation costs. Beneficiary may charge such person or persons a fee for reconveying the Property, but only if the fee is paid to a third party (such as the Trustee) for services rendered and the charging of the fee is permitted under applicable law.

(5) That as additional security, Trustor hereby gives to and confers upon Beneficiary the right, power and authority, during the continuance of these Trusts, to collect the rents, issues and profits of said property, reserving unto Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, Beneficiary may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in its own name sue for or otherwise collect such rents, issues, and profits, including those past due and unpaid, and apply the same less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of said property, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

(6) That upon default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee a written declaration of default and demand for sale and a written notice of default and election to cause to be sold said property, which notice Trustee shall cause to be filed for recording. Beneficiary also shall deposit with Trustee this Deed of Trust, said Agreement and all documents evidencing expenditures secured hereby.

After the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell said

property at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of said property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to such purchaser its deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee, or Beneficiary as hereinafter defined, may purchase at such sale.

After deducting all costs, fees and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment of: all sums expended under the terms hereof, not then repaid, with accrued interest at the amount allowed by law in effect at the date hereof, all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto.

(7) Beneficiary, or any successor in ownership of any indebtedness secured hereby, may from time to time, by instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument executed by the Beneficiary and duly acknowledged and recorded in the office of the recorder of the county or counties where said property is situated, shall be conclusive proof of proper substitution of such successor Trustee or Trustees, who shall, without conveyance from the Trustee predecessor, succeed to all its title, estate, rights, powers and duties. Said instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the book and page where this Deed of Trust is recorded and the name and address of the new Trustee.

(8) That this Deed applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term Beneficiary shall mean the owner and holder, including pledgees, of the Agreement secured hereby, whether or not named as Beneficiary herein. In this Deed of Trust, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

(9) That Trustee accepts this Trust when this Deed of Trust, duly executed and acknowledged is made a public record as provided by law. Trustee is not obligated to notify any party thereto at pending sale under any other Deed of Trust or at any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee.

BOOK 242 PAGE 112

SEE HOME EQUITY LINE OF CREDIT RIDER TO DEED OF TRUST ATTACHED HERETO AND MADE A PART HEREOF.

Signature of Trustor(s)

Michael M. Leon 5/1/03
MICHAEL M. LEON DATE

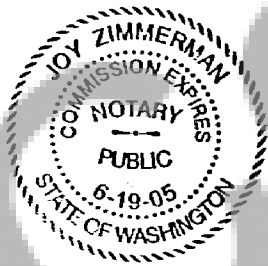
Katherine M. Leon 5/1/03
KATHERINE M. LEON DATE

State of WASHINGTON ss.
County of SPokane CLARK

On 5/1/03 before me, JOY
ZIMMERMAN personally appeared
MICHAEL M. LEON AND KATHERINE M. LEON
personally known to me (or proved to me on the basis of
satisfactory evidence) to be the person(s) whose name(s)
is/are subscribed to the within instrument and acknowledged
to me that he/she/they executed the same in his/her/their
authorized capacity(ies), and that by his/her/their signature(s)
on the instrument the person(s), or the entity upon behalf of
which the person(s) acted, executed the instrument.

WITNESS my hand and official seal:

Joy Zimmerman
Notary's Signature



DDS-AOR

REV 05/00
Page 6

**ADDISON AVENUE FEDERAL CREDIT UNION
Home Equity Line of Credit
Rider to Mortgage, Deed of Trust, Security Deed or other Security
Instrument**

**NOTICE: THIS DOCUMENT CONTAINS PROVISIONS FOR A
VARIABLE ANNUAL PERCENTAGE (INTEREST) RATE.**

In this Rider to the Mortgage, Deed of Trust, Security Deed or other Security Instrument, the words, I, ME and MY mean each and all of those who sign the Home Equity Line of Credit Open End Variable Rate Agreement and Federal Disclosure Statement (herein "Agreement"). The words YOU, YOUR and YOURS mean ADDISON AVENUE FEDERAL CREDIT UNION.

Payment: I promise to repay you at your office all sums advanced to me or any person I permit to use the Account on the terms and at the rates set forth in the Agreement. Payments will continue until I have paid in full the unpaid balance, FINANCE CHARGES and any other charges. If my ANNUAL PERCENTAGE RATE is changed pursuant to the provisions set forth below, the amount of the payments required to repay the unpaid balance will be affected accordingly. I understand and agree that each payment is applied first to late charges, if any, then to other fees and charges, if any, then to past due and/or over limit amounts, if any, then to FINANCE CHARGE and then to unpaid principal balance.

Periodic Rate: The initial periodic rate used in calculating the FINANCE CHARGE is the daily periodic rate set forth in the Agreement (initial ANNUAL PERCENTAGE RATE set forth in the Agreement).

The daily periodic rate is determined by dividing the ANNUAL PERCENTAGE RATE by 365 and will change when the ANNUAL PERCENTAGE RATE changes. The ANNUAL PERCENTAGE RATE imposed under the Agreement does not include costs other than interest.

When FINANCE CHARGE is Imposed: The FINANCE CHARGE begins on the date each advance is posted to my Account and will continue to accrue until the entire outstanding balance of the Account has been paid in full.

How to Determine the Balance on Which my FINANCE CHARGE is Computed: You will figure the FINANCE CHARGE on my Account by applying the daily periodic rate in effect to the unpaid balance of my Account. To get the unpaid balance, you will take the ending balance of my Account each day, after adding any new advances and subtracting any payments or credits.

How You Determine My Total FINANCE CHARGE: A FINANCE CHARGE will be posed to my Account on the last day of the Billing Cycle if there was an outstanding balance in my Account at any time during that Billing Cycle. The FINANCE CHARGE will be the sum of the daily FINANCE CHARGES which accrued during that Billing Cycle. The FINANCE CHARGES for each day are computed by multiplying the unpaid balance of my Account that day by the daily periodic rate in effect on that day. This determines my total periodic FINANCE

CHARGE for the Billing Cycle. Actual FINANCE CHARGES are shown on the Home Equity Member Statement delivered to me.

How You Determine Changes in my ANNUAL PERCENTAGE RATE: The ANNUAL PERCENTAGE RATE may increase or decrease monthly during the Draw Period and on the first day of the Repayment Period. Any such change will be based on an increase or decrease in the Prime Rate in effect three (3) business days prior to any Adjustment Date as published in the Wall Street Journal under "Money Rates," (herein "Index"). In the event that the Prime Rate ceases to be published in the Wall Street Journal, or made available in an electronic medium, changes in the ANNUAL PERCENTAGE RATE will be related to a comparable Index as provided under the Change in Terms paragraph set forth below.

My ANNUAL PERCENTAGE RATE is determined by adding the margin set forth in the Agreement to the Index in effect as of each Adjustment Date. The Index in effect as of the date of the Agreement is set forth in the Agreement. You may waive an increase in the ANNUAL PERCENTAGE RATE when such an increase can be made, but such a waiver shall not be construed as a waiver of your right to increase the ANNUAL PERCENTAGE RATE at a future date when entitled to do so.

My ANNUAL PERCENTAGE RATE is subject to change on the first day of each month during the Draw Period and on the first day of the Repayment Period. These dates shall be known as "Adjustment Dates." The Index in effect on the third business day prior to the Adjustment Date shall be used to calculate the ANNUAL PERCENTAGE RATE change effective on the Adjustment Date. The maximum ANNUAL PERCENTAGE RATE during the term of the Agreement is 17.000%, except that the maximum may not exceed the maximum ANNUAL PERCENTAGE RATE permitted federal credit unions at the time of each ANNUAL PERCENTAGE RATE change. There is no minimum ANNUAL PERCENTAGE RATE, nor is there any monthly or annual limitation on changes in the ANNUAL PERCENTAGE RATE during the term of the Agreement. Decreases in the ANNUAL PERCENTAGE RATE in accordance with the terms of the Agreement are mandatory. Increases in the ANNUAL PERCENTAGE RATE in accordance with the terms of the Agreement are at your discretion. Any increase or decrease in the ANNUAL PERCENTAGE RATE may result in changes in the amount of the payments required to repay the unpaid balance.

Mutual Modification: You and I may mutually agree in writing to modify the terms of the Agreement including, but not limited to, extensions of the Draw and/or Repayment Periods. I understand and agree that if I enter into a Mutual Modification Agreement with you, I will continue to be subject to the terms and conditions set forth in the Agreement, except as specifically changed in the Mutual Modification Agreement. I also understand and agree that I shall be required to pay a processing fee not to exceed 1% of my Credit Limit under the Agreement, or \$500.00, whichever is more, and any costs you incur with regards to a modification including, but not limited to, the costs of a credit report, appraisal, title search and report, title insurance and recording.

Change In Terms: You may change the terms of the Agreement as follows: 1) if such change is specifically authorized in the Agreement; 2) where the index is no longer available as permitted by law and/or regulation; 3) where the change will benefit me throughout the remaining terms of the Agreement; 4) where the change is "insignificant", or 5) otherwise permitted by law and/or regulation. You will notify me of such a change by mailing me a notice of the change to me at my last known address. I also understand that any such notice will be mailed at least fifteen (15) days prior to the effective date of the change or as required by federal or other law. Notice of change in terms is required, but may be sent as late as the effective date of the change where the change has been agreed to in writing by me.

BOOK 242 PAGE 115

This rider contains only those terms of the Agreement relating to ANNUAL PERCENTAGE RATE changes. See the Agreement and the Mortgage, Deed of Trust, Security Deed or other Security Instrument for complete terms.

Michael M. Leon
MICHAEL M. LEON

5/1/03
DATE

Katherine M. Leon
KATHERINE M. LEON

5/1/03
DATE