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BOOK 247 PAGE 319

*U. Germann*

WHEN RECORDED RETURN TO: This Space Provided for Recorder's Use  
CCSECU Mortgage Dept.  
P.O. Box 1739  
Vancouver, WA 98668

*SCR 2600* **DEED OF TRUST  
(LINE OF CREDIT TRUST DEED)**

Grantor(s): Derek Connolly and Tamara Connolly, husband and wife

Grantee(s): Clark County School Employees Credit Union

Legal Description: A tract of land in the Southwest Quarter of Section 19,  
Township 2 North, Range 5 East of the Willamette Meridian, in the  
County of Skamania, State of Washington, described as follows:  
Lot 2 of the P.S.C. Short Plat, recorded in Book 3 of Short Plats,  
page 326, Skamania County Records.

Assessor's Property Tax Parcel or Account No.: 02-05-19-0-0-1314-00

Reference Numbers of Documents Assigned or Released:

DATED: *July 24, 2003*

BETWEEN: Derek Connolly and Tamara Connolly, husband and wife (Trustor, hereinafter "Grantor,")

whose address is 22 Harder Road Washougal, WA 98671

AND: Clark County School Employees Credit Union Beneficiary ("Credit Union,")

whose address is P.O. Box 1739 Vancouver, WA 98668

AND: Clark Financial Services, Inc (Trustee,")

Grantor conveys to Trustee for benefit of Credit Union as beneficiary all of Grantor's right, title, and interest in and to the real property described above (the Real Property), together with all existing or subsequently erected or affixed improvements or fixtures, and all accessions, replacements, substitutions, and proceeds thereof.

(Check one of the following)

- This Deed of Trust is part of the collateral for the Agreement. In addition, other collateral also may secure the Agreement.
- This Deed of Trust is the sole collateral for the Agreement.

(Check if Applies)

There is a mobile home on the Real Property, which is covered by this security instrument, and which is and shall remain:

- Personal Property
- Real Property

This Deed of Trust secures (check if applicable):

- Line of Credit.** A revolving line of credit which obligates the Credit Union to make advances to Grantor in the maximum principal amount at any one time of **\$20,000.00** until the Agreement is terminated or suspended or if advances are made up to the maximum credit limit, and Grantor complies with the terms of the Agreement dated \_\_\_\_\_ (In Oregon, for purposes of ORS 89.110 and in Idaho, the maximum term or maturity date of the Agreement including any renewals or extensions is 30 years from the date of the Agreement.) Funds may be advanced by Credit Union, repaid by Grantor, and subsequently readvanced by Credit Union in accordance with the Agreement. Notwithstanding the amount outstanding at any particular time, this Deed of Trust secures the total indebtedness under the Agreement. The unpaid balance of the line of credit under the Agreement will remain in full force and effect notwithstanding a zero outstanding balance on the line from time to time. Any principal advance under the line of credit that exceeds the amount shown above as the principal amount of the Agreement will not be secured by this Deed of Trust.
- Equity Loan.** An equity loan in the maximum principal amount of \$ \_\_\_\_\_ under the terms of the Agreement. (In Oregon, for purposes of ORS 89.110 and in Idaho, the maximum term or maturity date of the Agreement, including renewals or extensions, is 30 years from the date of the Agreement.) To the extent of repayment, Grantor may request subsequent loan advances, subject to Credit Union's credit and security verification. This Deed of Trust secures the total indebtedness under the Agreement.





**4.6 Insurance Reserves.** Subject to any limitations set by applicable law, Credit Union may require Borrower to maintain with Credit Union reserves for payment of insurance premiums which reserves shall be created by monthly payments of a sum estimated by Credit Union to be sufficient to produce an even 12 payments before due amount or less equal to the insurance premiums to be paid in 12 payments before payment due the reserve funds are insured. Borrower shall upon demand pay any deficiency to Credit Union. The reserve funds shall be held by Credit Union as a general deposit from Borrower and shall constitute a noninterest bearing deposit from Credit Union to Borrower. Credit Union may satisfy by payment of the insurance premiums required to be paid by Borrower as they become due. Credit Union shall not be liable for the reserve funds in trust for Borrower and Credit Union remain the agent of Borrower for payment of the insurance premiums required to be paid by Borrower.

**5. Expenditure by Credit Union.**  
If Grantor fails to comply with any provision of this Deed of Trust, including the obligation to maintain the prior indebtedness in good standing as required by Section 17, Credit Union may, at its option, on Grantor's behalf pay amounts to cure any default in the prior indebtedness and any amount that it expends in so doing shall be added to the indebtedness. Amounts so added shall be payable in accordance with the terms of the indebtedness. The rights provided for in this section shall be in addition to any other rights or remedies to which Credit Union may be entitled on account of the default. Credit Union shall not be required to take the required action to cure the default unless it is a remedy that otherwise would have had.

**6. Warranty, Defense of Title.**  
**6.1 Title.** Grantor warrants that it holds marketable title to the Property in fee simple free of all encumbrances other than those set forth in Section 17 or in any policy of the insurance issued in favor of Credit Union in connection with the Deed of Trust.  
**6.2 Defense of Title.** Subject to the exceptions in the paragraph above, Grantor warrants and will forever defend the trustee against the lawful claims of all persons. In the event any action or proceeding is commenced that questions Grantor's title or the interest of Credit Union in the Trustee under this Deed of Trust, Grantor shall defend the action at Grantor's expense.

**7. Condemnation.**  
**7.1 Application of Net Proceeds.** If all or any part of the Property is condemned, Credit Union may, at its election, require that all or any portion of the net proceeds of the award be applied to the indebtedness. The net proceeds of the award shall be an award and payment of all reasonable costs, expenses and attorneys' fees necessarily incurred in connection with the condemnation. Grantor, Credit Union or Trustee shall have the right to determine the application of the net proceeds.

**7.2 Proceedings.** If any proceedings in condemnation are filed, Grantor shall promptly notify Credit Union in writing and Grantor shall promptly take such steps as may be necessary to defend the action and obtain the award.

**8. Imposition of Tax By State.**  
**8.1 State Taxes Covered.** The following shall constitute state taxes to which this section applies:  
(a) A specific tax upon trust deeds or upon all or any part of the indebtedness secured by a trust deed or security agreement.  
(b) A specific tax on a Grantor when the taxpayer is authorized or required to deduct from payments on the indebtedness secured by a trust deed or security agreement.  
(c) A tax on a trust deed or security agreement enforceable against the Credit Union or the holder of the Agreement secured.  
(d) A specific tax on all or any portion of the indebtedness or on payments of principal and interest made by a Grantor.

**9. Power and Obligations of Trustee.**  
**9.1 Powers of Trustee.** In addition to all powers of Trustee arising as a matter of law, Trustee shall have the power to take the following actions with respect to the Property upon the request of Credit Union and Grantor:  
(a) Join in preparing and filing a map or plat of the Real Property including the dedication of streets or other rights in the public.  
(b) Join in granting any easement or creating any restriction on the Real Property.  
(c) Join in any subordination or other agreement affecting this Deed of Trust or the interest of Credit Union under this Deed of Trust.

**9.2 Obligations to Notify.** Trustee shall not be obligated to notify any other party of a pending sale under any other trust deed or lien, or of any action or proceeding in which Grantor, Credit Union or Trustee shall be a party, unless the action or proceeding is brought by Trustee.

**10. Transfer by Grantor.**  
**10.1 Consent by Credit Union.** Grantor shall not transfer or agree to transfer all or part of Grantor's interest in the Property without the prior written consent of Credit Union. Any attempt to transfer shall vest in the Credit Union to terminate and accelerate the indebtedness under this Deed of Trust.

A "sale or transfer" means the conveyance of real property or any right, title, or interest therein, whether legal or equitable, whether voluntary or involuntary, by outright sale, deed, installment sale, contract, lease, contract for deed, leasehold interest with a term greater than three years, lease-option contract, or any other method of conveyance of real property interest. If any Borrower is a corporation, transfer also includes any change in ownership of more than 25% of the voting stock of Borrower.

If Grantor or prospective transferee applies to Credit Union for consent to a transfer, Credit Union may require such information concerning the prospective transferee as would normally be required from the new loan applicant.

**10.2 Effect of Consent.** If Credit Union consents to one transfer, that consent shall not constitute a consent to other transfers or a waiver of this section. No transfer by Grantor shall relieve Grantor of liability for payment of the indebtedness. Following a transfer, Credit Union may agree to any extension of time for payment or modification of the terms of this Deed of Trust or the Agreement or waive any right or remedy under this Deed of Trust or the Agreement without relieving Grantor of liability. Grantor waives notice, presentment, and protest with respect to the indebtedness.

**11. Security Agreement, Financing Statements.**  
**11.1 Security Agreement.** This instrument shall constitute a security agreement to the extent any of the Property constitutes fixtures, and Credit Union shall have all of the rights of a secured party under the Uniform Commercial Code of the state in which the Real Property is located.

**11.2 Security Interest.** Upon request by Credit Union, Grantor shall execute financing statements and take whatever other action is requested by Credit Union to perfect and continue Credit Union's security interest in the Income and Personal Property. Grantor hereby appoints Credit Union as Grantor's attorney in fact for the purpose of executing any documents necessary to perfect or continue this security interest. Credit Union may, at any time and without further authorization from Grantor, file copies or reproductions of this Deed of Trust as a financing statement. Grantor will reimburse Credit Union for all expenses incurred in perfecting or continuing this security interest. Upon default, Grantor shall assemble the Personal Property and make it available to Credit Union within three days after receipt of written demand from Credit Union.

**11.3 Mobile Homes.** If the Property includes mobile homes, motor homes, modular homes or similar structures, such structures shall be and shall remain Personal Property or Real Property, as stated above regardless of whether such structures are affixed to the Real Property, and irrespective of the classification of such structures for the purpose of tax assessment. The removal or addition of axles or wheels, or the placement upon or removal from a concrete base, shall not alter the characterization of such structures.

**12. Reconveyance on Full Performance.**  
If Grantor pays all of the indebtedness when due and otherwise performs all the obligations imposed upon Grantor under this Deed of Trust and the Agreement, Credit Union shall execute and deliver to Trustee a request for full reconveyance and shall execute and deliver to Grantor suitable statements of termination of any financing statement on file evidencing Credit Union's security interest in the Income and the Personal Property. Any reconveyance fee or termination fee required by law shall be paid by Grantor.

**13. Possible Actions of Credit Union.**  
The Credit Union may take the following actions with respect to your Agreement under the circumstances listed below:  
**a. Termination and Acceleration.** The Credit Union may terminate your Agreement and require Grantor to pay the entire outstanding balance immediately, and charge Grantor certain fees if any of the following happen:  
(1) Grantor engages in any fraud or material misrepresentation in connection with the Agreement. For example, if there are false statements or omissions on Grantor's application or financial statements.  
(2) Grantor does not meet the repayment terms of the Agreement.  
(3) Grantor's actions or inactions adversely affect the collateral or Credit Union's rights in the collateral. For example, if Grantor fails to maintain insurance, pay taxes, transfer title to or sell the collateral, prevent the foreclosure of any liens, or waste of the collateral.  
**b. Suspension of Credit Reduction of Credit Limit.** Credit Union may refuse to make additional advances on the line of credit or reduce the credit limit during any period in which the following exist or occur:  
(1) Any of the circumstances listed in a. above.  
(2) The value of Grantor's dwelling securing the indebtedness declines significantly below its appraised value for purposes of the Agreement.  
(3) Credit Union reasonably believes that Grantor will not be able to meet the repayment requirements of the Agreement due to a material change in Grantor's financial circumstances.  
(4) Grantor(s) are in default under any material obligation of the Agreement and Deed of Trust.  
(5) The maximum annual percentage rate under the Agreement is reached.  
(6) Any government action prevents Credit Union from imposing the annual percentage rate provided for or impairs Credit Union's security interest such that the value of the interest is less than 120 percent of the credit line.  
(7) Credit Union has been notified by government agency that continued advances would constitute an unsafe and unsound practice.  
**c. Change in Terms.** The Agreement permits Credit Union to make certain changes to the terms of the Agreement at specified times or upon the occurrence of specified events.

**14. Actions Upon Termination.**  
**14.1 Remedies.** Upon the occurrence of any termination and at any time thereafter, Trustee or Credit Union may, exercise any, one or more of the following rights and remedies, in addition to any other rights or remedies provided by law:  
(a) With respect to all or any part of the Real Property, the Trustee shall have the right to foreclose by notice and sale, and Credit Union shall have the right to foreclose by judicial foreclosure, in either case in accordance with and to the full extent provided by applicable law.  
(b) With respect to all or any part of the Personal Property, Credit Union shall have all the rights and remedies of a secured party under the Uniform Commercial Code in effect in the state in which the Credit Union is located.  
(c) Credit Union shall have the right, without notice to Grantor, to take possession of the Property and collect the income, including amounts past due and unpaid, and apply the net proceeds, over and above Credit Union's costs, against the indebtedness. In fulfillment of this right, Credit Union may require any tenant or other user to make payments of rent or use fees directly to Credit Union. If the income is collected by Credit Union, then Grantor irrevocably designates Credit Union as Grantor's attorney in fact to endorse instruments received in payment thereof in the name of Grantor and to negotiate the same and collect the proceeds. Payments by tenants or other users to Credit Union in response to Credit Union's demand shall satisfy the obligation for which the payments are made, whether or not any proper grounds for the demand existed. Credit Union may exercise its rights under this subparagraph either in person, by agent, or through a receiver.

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Trustee and Credit Union shall have the right to sell the Property, together or separately, or to lease the Property, together or separately, or to otherwise dispose of the Property, together or separately, in its discretion, and the proceeds of any such sale, lease, or other disposition shall be distributed to the Beneficiaries of the Trust in accordance with the terms of the Trust Agreement.

**14.2 Sale of the Property.** The Trustee and Credit Union shall have the right to sell the Property, together or separately, or to lease the Property, together or separately, or to otherwise dispose of the Property, together or separately, in its discretion, and the proceeds of any such sale, lease, or other disposition shall be distributed to the Beneficiaries of the Trust in accordance with the terms of the Trust Agreement.

**14.3 Notice of Sale.** Credit Union shall give notice of any sale of the Property to the Beneficiaries of the Trust in accordance with the terms of the Trust Agreement.

**14.4 Waiver, Election of Remedies.** Grantor hereby waives any right to demand a trial by jury in any action or suit brought by or for Credit Union to enforce the terms of this Deed of Trust.

**14.5 Attorneys' Fees/Expenses.** The Trustee and Credit Union shall be entitled to recover its reasonable attorneys' fees and expenses incurred in the enforcement of this Deed of Trust, together with its reasonable attorneys' fees and expenses incurred in the defense of any action or suit brought by or for Credit Union to enforce the terms of this Deed of Trust.

**15 Notice.** Any notice under this Deed of Trust shall be in writing and shall be given to the Trustee and Credit Union at the address set forth in the Trust Agreement. If the Trustee and Credit Union are unable to be reached at the address set forth in the Trust Agreement, then notice shall be given to the Beneficiaries of the Trust at the address set forth in the Trust Agreement.

**15.1 Successors and Assigns.** Subject to the provisions of applicable law, the provisions of this Deed of Trust shall bind the Trustee and Credit Union and their successors and assigns.

**15.2 Unit Ownership Power of Attorney.** If the Beneficiary is a unit owner, Grantor hereby grants a power of attorney to Credit Union to vote in its discretion on any matter that may come before the unit owners. Credit Union shall have the right to exercise this power of attorney only as authorized by Grantor.

**15.3 Annual Reports.** If the Property is a residential property, Grantor shall provide to Credit Union an annual report of the Property's condition and value, together with a list of all cash expenditures made in connection with the operation of the Property.

**16.4 Applicable Law.** The law of the state in which the Property is located shall be applicable for the purpose of construing and determining the validity of this Deed of Trust and determining the rights and remedies of Credit Union in default.

**16.5 Joint and Several Liability.** If Grantor dies or dies without a person other than the Trustee and Credit Union, the obligations imposed upon Grantor under this Deed of Trust shall be joint and several.

**16.6 Time of Essence.** Time is of the essence of this Deed of Trust.

**16.7 Use.** If located in Idaho, the Property shall not be used for any purpose other than residential purposes. If located in Washington, the Property shall not be used primarily for agricultural or farming purposes. If located in Montana, the Property shall not be used primarily for agricultural or farming purposes. If located in Utah, this instrument is a Trust Deed executed in conformity with the Utah Trust Deed Act, UCA 57-1-19 et seq.

**16.8 Waiver of Homestead Exemption.** Borrower hereby waives the benefit of the homestead exemption as to all units secured by this Deed of Trust.

**16.9 Merger.** There shall be no merger of the interest created by this Deed of Trust with any other interest or estate in the Property at any time held by or for the benefit of Credit Union in any capacity, without the written consent of Credit Union.

**16.10 Substitute Trustee.** Credit Union or Credit Union's option may from time to time appoint a successor trustee to any Trustee appointed hereunder by an instrument executed and acknowledged by Credit Union and recorded in the office of the Recorder of the county where the Property is located. The instrument shall contain the name of the original Credit Union Trustee, and Borrower, the book and page where this Deed of Trust is recorded, and the name and address of the successor trustee. The successor trustee shall, with the consent of the Property, succeed to all the powers, and duties conferred upon the Trustee herein and by applicable law. This procedure for substitution of trustee shall govern to the exclusion of all other provisions for substitution.

**16.11 Statement of Obligation.** If the Property is in California, Credit Union may collect a fee not to exceed the statutory maximum for furnishing the statement of obligation as provided by Section 2943 of the Civil Code of California.

**16.12 Severability.** If any provision in this Deed of Trust shall be held to be invalid or unenforceable, the validity and enforceability of the remaining provisions shall not in any way be affected or impaired.

**17. Prior Indebtedness.** The lien securing the indebtedness secured by this Deed of Trust is and remains secondary and inferior to the lien securing payment of a prior obligation in the form of a:

(Check which Applies)  
 Trust Deed  
 Mortgage  
 Land Sale Contract  
 Other (Specify) \_\_\_\_\_

The prior obligation has a current principal balance of \$ \_\_\_\_\_ and is in the original principal amount of \$ \_\_\_\_\_

Grantor expressly covenants and agrees to pay or see to the payment of the prior indebtedness and to prevent any default thereunder.

**17.2 Default.** If the payment of any installment of principal or any interest on the prior indebtedness is not made within the time required by the Agreement evidencing such indebtedness, or should an event of default occur under the instrument securing such indebtedness and not be cured during any applicable grace period therein, then your action or inaction shall entitle the Credit Union to terminate and accelerate the indebtedness and pursue any of its remedies under this Deed of Trust.

**17.3 No Modifications.** Grantor shall not enter into any agreement with the holder of any mortgage, deed of trust, or other security agreement which has priority over this Deed of Trust by which that agreement is modified, amended, extended, or renewed without the prior written consent of Credit Union. Grantor shall neither request nor accept any future advances under a prior mortgage, deed of trust, or other security agreement without the prior written consent of Credit Union.

GRANTOR: Derek McCormally GRANTOR: Saimara K Connolly



ACKNOWLEDGMENT OF NO HOMESTEAD EXEMPTION (Only applicable in Montana)

GRANTOR HEREBY ACKNOWLEDGES THAT THE REAL PROPERTY IN WHICH A LIEN IS BEING GRANTED TO CREDIT UNION IS NOT EXEMPT FROM EXECUTION AS A HOMESTEAD. BECAUSE UNDER MONTANA STATUTES, SECTION 70-32-202, IT IS SUBJECT TO EXECUTION OR FORCED SALE TO SATISFY A JUDGMENT OBTAINED ON DEBTS SECURED BY A MORTGAGE OR OTHER ENCUMBRANCE ON THE PREMISES.

GRANTOR: GRANTOR:

INDIVIDUAL ACKNOWLEDGMENT

STATE OF Washington )  
County of Clark ) ss.  
On this day personally appeared before me Derek & Tamara Connolly

to me known to be (or in California, personally known to me or proved to me on the basis of satisfactory evidence to be) the individual, or individual's described in and who executed the within and foregoing instrument, and acknowledged that they signed the same as their free and voluntary act and deed, for the uses and purposes therein mentioned.  
Given under my hand and official seal this 24 day of July, 2003

ERIN VANDAAM  
NOTARY PUBLIC  
STATE OF WASHINGTON  
COMMISSION EXPIRES  
SEPTEMBER 8, 2005

By: Erin Vandaam  
Notary Public in and for the State of Washington  
Residing at Vancouver  
My commission expires: Sept 8, 2004

REQUEST FOR FULL RECONVEYANCE  
(To be used only when obligations have been paid in full)

To: \_\_\_\_\_ Trustee  
The undersigned is the legal owner and holder of all indebtedness secured by this Deed of Trust. All sums secured by the Deed of Trust have been fully paid and satisfied. You are hereby directed, on payment to you of any sums owing to you under the terms of this Deed of Trust or pursuant to statute, to cancel all evidence of indebtedness secured by this Deed of Trust (which are delivered to you herewith together with the Deed of Trust), and to reconvey, without warranty, to the parties designated by the terms of the Deed of Trust, the estate now held by you under the Deed of Trust. Please mail the reconveyance and related documents to:

\_\_\_\_\_  
\_\_\_\_\_  
Date: \_\_\_\_\_ 20\_\_\_\_  
Credit Union: \_\_\_\_\_  
By: \_\_\_\_\_  
Its: \_\_\_\_\_

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