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When Recorded Return to: Consumer Lending Department, Union Federal Bank of Indianapolis,
45 N. Pennsylvania St., Indianapolis, Indiana 46204

(With Future Advance Clause)

Grantor(s): JIM WATERS and DEBRA K WATERS

Grantee(s): Union Federal Bank of Indianapolis

Legal Description: Lot 6 Ignaz Watcher Subdiv SEC 6 TWP 3 N Range 7 E NW QTR

Assessor's Property Tax Parcel or Account Number: 03 07 36 20 1100 00

Reference Numbers Of Documents Assigned or Released:

DATE AND PARTIES. The date of this Deed Of Trust (Security Instrument) is November 25, 2003. The parties and their addresses are:

GRANTOR:

JIM WATERS

Spouse of DEBRA K WATERS

401 MAPLE WAY

STEVENSON, Washington 98648

FIRST AMERICAN TITLE

4966948

DEBRA K WATERS

Spouse of JIM WATERS

HUSBAND AND WIFE

401 MAPLE WAY

STEVENSON, Washington 98648

TRUSTEE:

WATERFIELD FINANCIAL CORPORATION AN INDIANA CORPORATION

a Corporation

7500 W JEFFERSON BLVD

FT. WAYNE, Indiana 46804

LENDER:

UNION FEDERAL BANK OF INDIANAPOLIS

Organized and existing under the laws of the United States of America
45 N. Pennsylvania St.

45 N. Pennsylvania St.

Suite 400

Indianapolis, Indiana 46204

1. CONVEYANCE. For good and valuable consideration, the receipt and sufficiency of which is acknowledged, and to secure the Secured Debts and Grantor's performance under this Security Instrument, Grantor irrevocably grants, conveys and sells to Trustee, in trust for the benefit of Lender, with power of sale, the following described property:

SEE EXHIBIT A

The property is located in SKAMANIA County at 401 MAPLE WAY, STEVENSON, Washington 98648.

JIM WATERS

Washington Deed Of Trust

IN/4RCastle00704400004160022112403Y

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Initials SK Page i

Together with all rights, easements, appurtenances, royalties, mineral rights, oil and gas rights, all water and riparian rights, wells, ditches and water stock and all existing and future improvements, structures, fixtures, and replacements that may now, or at any time in the future, be part of the real estate described (all referred to as Property). This Security Instrument will remain in effect until the Secured Debts and all underlying agreements have been terminated in writing by Lender.

2. SECURED DEBTS. This Security Instrument will secure the following Secured Debts:

A. Specific Debts. The following debts and all extensions, renewals, refinancings, modifications and replacements. A promissory note, No. 739050097, dated November 25, 2003, from Grantor to Lender, with a maximum credit limit of \$87,000.00 with an interest rate based on the then current index value as the promissory note prescribes and maturing on December 15, 2013. One or more of the debts secured by this Security Instrument contains a future advance provision.

B. Sums Advanced. All sums advanced and expenses incurred by Lender under the terms of this Security Instrument.

3. PAYMENTS. Grantor agrees that all payments under the Secured Debts will be paid when due and in accordance with the terms of the Secured Debts and this Security Instrument.

4. WARRANTY OF TITLE. Grantor warrants that Grantor is or will be lawfully seized of the estate conveyed by this Security Instrument and has the right to irrevocably grant, convey and sell the Property to Trustee, in trust, with power of sale. Grantor also warrants that the Property is unencumbered, except for encumbrances of record.

5. PRIOR SECURITY INTERESTS. With regard to any other mortgage, deed of trust, security agreement or other lien document that created a prior security interest or encumbrance on the Property, Grantor agrees:

A. To make all payments when due and to perform or comply with all covenants.

B. To promptly deliver to Lender any notices that Grantor receives from the holder.

C. Not to allow any modification or extension of, nor to request any future advances under any note or agreement secured by the lien document without Lender's prior written consent.

6. CLAIMS AGAINST TITLE. Grantor will pay all taxes, assessments, liens, encumbrances, lease payments, ground rents, utilities, and other charges relating to the Property when due. Lender may require Grantor to provide to Lender copies of all notices that such amounts are due and the receipts evidencing Grantor's payment. Grantor will defend title to the Property against any claims that would impair the lien of this Security Instrument. Grantor agrees to assign to Lender, as requested by Lender, any rights, claims or defenses Grantor may have against parties who supply labor or materials to maintain or improve the Property.

7. DUE ON SALE. Lender may, at its option, declare the entire balance of the Secured Debts to be immediately due and payable upon the creation of, or contract for the creation of, a transfer or sale of all or any part of the Property. This right is subject to the restrictions imposed by federal law governing the preemption of state due-on-sale laws, as applicable.

8. WARRANTIES AND REPRESENTATIONS. Grantor has the right and authority to enter into this Security Instrument. The execution and delivery of this Security Instrument will not violate any agreement governing Grantor or to which Grantor is a party.

9. PROPERTY CONDITION, ALTERATIONS AND INSPECTION. Grantor will keep the Property in good condition and make all repairs that are reasonably necessary. Grantor will not commit or allow any waste, impairment, or deterioration of the Property. Grantor will keep the Property free of noxious weeds and grasses. Grantor agrees that the nature of the occupancy and use will not substantially change without Lender's prior written consent. Grantor will not permit any change in any license, restrictive covenant or easement without Lender's prior written consent. Grantor will notify Lender of all demands, proceedings, claims, and actions against Grantor, and of any loss or damage to the Property.

Lender or Lender's agents may, at Lender's option, enter the Property at any reasonable time for the purpose of inspecting the Property. Lender will give Grantor notice at the time of or before an inspection specifying a reasonable purpose for the inspection. Any inspection of the Property will be entirely for Lender's benefit and Grantor will in no way rely on Lender's inspection.

10. AUTHORITY TO PERFORM. If Grantor fails to perform any duty or any of the covenants contained in this Security Instrument, Lender may, without notice, perform or cause them to be performed. Grantor appoints Lender as attorney in fact to sign Grantor's name or pay any amount necessary for performance. Lender's right to perform for Grantor will not create an obligation to perform, and Lender's failure to perform will not preclude Lender from exercising any of Lender's other rights under the law or this Security Instrument. If any construction on the Property is discontinued or not carried on in a reasonable manner, Lender may take all steps

necessary to protect Lender's security interest in the Property, including completion of the construction.

11. DEED OF TRUST COVENANTS. Grantor agrees that the covenants in this Security Instrument are material obligations under the Secured Debts and this Security Instrument. If Grantor breaches any covenant in this Security Instrument, Lender may refuse to make additional extensions of credit or may reduce the credit limit. By not exercising either remedy on Grantor's breach, Lender does not waive Lender's right to later consider the event a breach if it happens again.

12. DEFAULT. Grantor will be in default if any of the following occur:

A. Fraud. Grantor engages in fraud or material misrepresentation in connection with the Secured Debts.

B. Payments. Any party obligated on the Secured Debts fails to make a payment when due.

C. Property. Any action or inaction occurs that adversely affects the Property or Lender's rights in the Property.

13. REMEDIES ON DEFAULT. In addition to any other remedy available under the terms of this Security Instrument, Lender may accelerate the Secured Debts and foreclose this Security Instrument in a manner provided by law if Grantor is in default. In some instances, federal and state law will require Lender to provide Grantor with notice of the right to cure, or other notices and may establish time schedules for foreclosure actions.

At the option of the Lender, all or any part of the agreed fees and charges, accrued interest and principal will become immediately due and payable, after giving notice if required by law, upon the occurrence of a default or anytime thereafter. Lender will be entitled to, without limitation, the power to sell the Property.

If there is a default, Trustee will, at the request of the Lender, advertise and sell the Property as a whole or in separate parcels at public auction to the highest bidder for cash. Trustee will give notice of sale including the time, terms and place of sale and a description of the Property to be sold as required by applicable law in effect at the time of the proposed sale. Upon any sale of the Property, Trustee will make and deliver a special or limited warranty deed that conveys the property sold to the purchaser or purchasers. Under this special or limited warranty deed, Trustee will covenant that Trustee has not caused or allowed a lien or an encumbrance to burden the Property and that Trustee will specially warrant and defend the Property's title of the purchaser or purchasers at the sale against all lawful claims and demand of all persons claiming by, through or under Trustee.

Upon sale of the Property and to the extent not prohibited by law and after first paying all fees, charges and costs, Trustee will pay to Lender all moneys advanced for repairs, taxes, insurance, liens, assessments and prior encumbrances and interest thereon, and the principal and interest on the Secured Debts, paying the surplus, if any, to Grantor. Lender may purchase the Property. Upon any sale of the Property, Trustee will make and deliver a special or limited warranty deed that conveys the property sold to the purchaser or purchasers. Under this special or limited warranty deed, Trustee will covenant that Trustee has not caused or allowed a lien or an encumbrance to burden the Property and that Trustee will specially warrant and defend the Property's title of the purchaser or purchasers at the sale against all lawful claims and demand of all persons claiming by, through or under Trustee. The recitals in any deed of conveyance will be prima facie evidence of the facts set forth therein.

The acceptance by Lender of any sum in payment or partial payment on the Secured Debts after the balance is due or is accelerated or after foreclosure proceedings are filed will not constitute a waiver of Lender's right to require complete cure of any existing default. By not exercising any remedy on Grantor's default, Lender does not waive Lender's right to later consider the event a default if it happens again.

14. EXPENSES; ADVANCES ON COVENANTS; ATTORNEYS' FEES; COLLECTION COSTS. If Grantor breaches any covenant in this Security Instrument, Grantor agrees to pay all expenses Lender incurs in performing such covenants or protecting its security interest in the Property. Such expenses include, but are not limited to, fees incurred for inspecting, preserving, or otherwise protecting the Property and Lender's security interest. Grantor agrees to pay all costs and expenses incurred by Lender in collecting, enforcing, or protecting Lender's rights and remedies under this Security Instrument. Expenses include, but are not limited to, attorneys' fees, court costs and other legal expenses. These expenses are payable on demand and will bear interest from the date of payment until paid in full at the highest interest rate in effect as provided for in the terms of Secured Debts. To the extent permitted by the United States Bankruptcy Code, Grantor agrees to pay the reasonable attorneys' fees Lender incurs to collect the Secured Debts as awarded by any court exercising jurisdiction under the Bankruptcy Code. This Security Instrument will remain in effect until released. Grantor agrees to pay for any recordation costs of such release.

15. ENVIRONMENTAL LAWS AND HAZARDOUS SUBSTANCES. As used in this section, (1) Environmental Law means, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), all other federal, state and local laws, regulations, ordinances, court orders, attorney general opinions or interpretive letters concerning the public health, safety, welfare, environment or a hazardous substance; and (2) Hazardous Substance means any toxic, radioactive or hazardous material, waste, pollutant or contaminant which has characteristics which render the substance dangerous or potentially dangerous to the public health, safety, welfare or environment. The term includes, without limitation, any substances defined as "hazardous material," "toxic substance," "hazardous waste," "hazardous substance," or "regulated substance" under any Environmental Law.

Grantor represents, warrants and agrees that:

A. Except as previously disclosed and acknowledged in writing to Lender, no Hazardous Substance is or will be located, stored or released on or in the Property. This restriction does not apply to small quantities of Hazardous Substances that are generally recognized to be appropriate for the normal use and maintenance of the Property.

B. Except as previously disclosed and acknowledged in writing to Lender, Grantor and every tenant have been, are, and will remain in full compliance with any applicable Environmental Law.

C. Grantor will immediately notify Lender if a release or threatened release of a Hazardous Substance occurs on, under or about the Property or there is a violation of any Environmental Law concerning the Property. In such an event, Grantor will take all necessary remedial action in accordance with any Environmental Law.

D. Grantor will immediately notify Lender in writing as soon as Grantor has reason to believe there is any pending or threatened investigation, claim, or proceeding relating to the release or threatened release of any Hazardous Substance or the violation of any Environmental Law.

16. CONDEMNATION. Grantor will give Lender prompt notice of any pending or threatened action by private or public entities to purchase or take any or all of the Property through condemnation, eminent domain, or any other means. Grantor authorizes Lender to intervene in Grantor's name in any of the above described actions or claims. Grantor assigns to Lender the proceeds of any award or claim for damages connected with a condemnation or other taking of all or any part of the Property. Such proceeds will be considered payments and will be applied as provided in this Security Instrument. This assignment of proceeds is subject to the terms of any prior mortgage, deed of trust, security agreement or other lien document.

17. INSURANCE. Grantor agrees to keep the Property insured against the risks reasonably associated with the Property. Grantor will maintain this insurance in the amounts Lender requires. This insurance will last until the Property is released from this Security Instrument. What Lender requires pursuant to the preceding two sentences can change during the term of the Secured Debts. Grantor may choose the insurance company, subject to Lender's approval, which will not be unreasonably withheld. All insurance policies and renewals will include a standard "mortgage clause" and, where applicable, "loss payee clause."

Grantor will give Lender and the insurance company immediate notice of any loss. All insurance proceeds will be applied to restoration or repair of the Property or to the Secured Debts, at Lender's option. If Lender acquires the Property in damaged condition, Grantor's rights to any insurance policies and proceeds will pass to Lender to the extent of the Secured Debts.

Grantor will immediately notify Lender of cancellation or termination of insurance. If Grantor fails to keep the Property insured Lender may obtain insurance to protect Lender's interest in the Property. This insurance may include coverages not originally required of Grantor, may be written by a company other than one Grantor would choose, and may be written at a higher rate than Grantor could obtain if Grantor purchased the insurance.

18. ESCROW FOR TAXES AND INSURANCE. Grantor will not be required to pay to Lender funds for taxes and insurance in escrow.

19. CO-SIGNERS. If Grantor signs this Security Instrument but does not sign the Secured Debts, Grantor does so only to convey Grantor's interest in the Property to secure payment of the Secured Debts and Grantor does not agree to be personally liable on the Secured Debts. If this Security Instrument secures a guaranty between Lender and Grantor, Grantor agrees to waive any rights that may prevent Lender from bringing any action or claim against Grantor or any party indebted under the obligation. These rights may include, but are not limited to, any anti-deficiency or one-action laws.

20. SUCCESSOR TRUSTEE. Lender, at Lender's option, may from time to time remove Trustee and appoint a successor without any other formality than the designation in writing. The successor trustee, without conveyance of the Property, will succeed to all the title, power and duties conferred upon Trustee by this Security Instrument and applicable law.

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21. USE OF PROPERTY. The real property conveyed by this Security Instrument is not used principally for agricultural purposes.

22. OTHER TERMS. The following are applicable to this Security Instrument:

A. Line of Credit. The Secured Debts include a revolving line of credit provision. Although the Secured Debts may be reduced to a zero balance, this Security Instrument will remain in effect until the Secured Debts and all underlying agreements have been terminated in writing by Lender.

23. APPLICABLE LAW. This Security Instrument is governed by the laws of Indiana, except to the extent otherwise required by the laws of the jurisdiction where the Property is located, and the United States of America.

24. JOINT AND INDIVIDUAL LIABILITY AND SUCCESSORS. Each Grantor's obligations under this Security Instrument are independent of the obligations of any other Grantor. Lender may sue each Grantor individually or together with any other Grantor. Lender may release any part of the Property and Grantor will still be obligated under this Security Instrument for the remaining Property. The duties and benefits of this Security Instrument will bind and benefit the successors and assigns of Lender and Grantor.

25. AMENDMENT, INTEGRATION AND SEVERABILITY. This Security Instrument may not be amended or modified by oral agreement. No amendment or modification of this Security Instrument is effective unless made in writing and executed by Grantor and Lender. This Security Instrument is the complete and final expression of the agreement. If any provision of this Security Instrument is unenforceable, then the unenforceable provision will be severed and the remaining provisions will still be enforceable.

26. INTERPRETATION. Whenever used, the singular includes the plural and the plural includes the singular. The section headings are for convenience only and are not to be used to interpret or define the terms of this Security Instrument.

27. NOTICE, FINANCIAL REPORTS AND ADDITIONAL DOCUMENTS. Unless otherwise required by law, any notice will be given by delivering it or mailing it by both first class and either registered or certified mail, return receipt requested, to the appropriate party's address listed in the DATE AND PARTIES section, or to any other address designated in writing. Notice to one party will be deemed to be notice to all parties. Grantor will inform Lender in writing of any change in Grantor's name, address or other application information. Grantor will provide Lender any financial statements or information Lender requests. All financial statements and information Grantor gives Lender will be correct and complete. Grantor agrees to sign, deliver, and file any additional documents or certifications that Lender may consider necessary to perfect, continue, and preserve Grantor's obligations under this Security Instrument and to confirm Lender's lien status on any Property. Time is of the essence.

SIGNATURES. By signing, Grantor agrees to the terms and covenants contained in this Security Instrument. Grantor also acknowledges receipt of a copy of this Security Instrument.

GRANTOR:

Jim Waters
JIM WATERS

Individually

Debra K. Waters
DEBRA K WATERS

Individually

ACKNOWLEDGMENT.

(Individual)

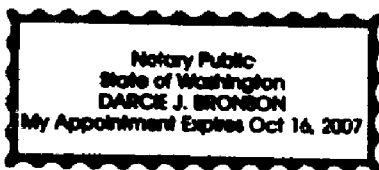
Jim Waters OF Washington Debra K Waters OF Washington ss.

I certify that I know or have satisfactory evidence that JIM WATERS, spouse of DEBRA K WATERS, and DEBRA K WATERS, spouse of JIM WATERS, HUSBAND AND WIFE, is/are the person(s) who appeared before me, and said person(s) acknowledged that he/she/they signed this instrument and acknowledged it to be a free and voluntary act for the uses and purposes mentioned in the instrument.

Dated: 11/25/2003

My appointment expires:
October 16, 2007

Darce J. Bronson
(Notary Public in and for the State of
Washington, residing at)
1003 SE 22nd Circle
Troutdale, OR 97060



REQUEST FOR RECONVEYANCE

(Not to be completed until paid in full)

TO TRUSTEE:

The undersigned is the holder of the note or notes secured by this Security Instrument. Said note or notes, together with all other indebtedness secured by this Security Instrument, have been paid in full. You are hereby directed to cancel this Security Instrument, which is delivered hereby, and to reconvey, without warranty, all the estate now held by you under this Security Instrument to the person or persons legally entitled thereto.

.....
(Authorized Lender Signature)

.....
(Date)

EXHIBIT A

ALL THAT PORTION OF LOT 6 OF IGNAZ WACHTER SUBDIVISION, IN THE WEST HALF OF THE NORTHWEST QUARTER OF SECTION 36, TOWNSHIP 3 NORTH, RANGE 7 EAST OF THE WILLAMETTE MERIDIAN, ACCORDING TO THE OFFICIAL PLAT THEREOF, ON FILE AND OF RECORD IN THE OFFICE OF THE AUDITOR OF SKAMANIA COUNTY, WASHINGTON, LYING SOUTHERLY OF THE COUNTY ROAD EXTENDING IN AN EASTERLY AND WESTERLY DIRECTION ACROSS SAID LOT 6; EXCEPT THAT PORTION THEREOF WHICH LIES WITHIN THE 300 FOOT STRIP OF LAND ACQUIRED BY THE UNITED STATE OF AMERICA FOR THE BONNEVILLE POWER ADMINISTRATION'S ELECTRIC POWER LINES.

EXCEPT THAT PORTION CONVEYED TO SKAMANIA COUNTY BY INSTRUMENT RECORDED NOVEMBER 23, 1971 IN BOOK 63, PAGE 537.

ABBRV LEGAL

LOT 6 IGNAZ WACHTER SUBDIV SEC 6 TWP 3 N RANGE 7 E NW QTR

Permanent Parcel Number: 03 07 36 20 1100 00
JIM WATERS AND DEBRA K. WATERS,
HUSBAND AND WIFE

401 MAPLE WAY, STEVENSON WA 98648
Loan Reference Number : 103904
First American Order No: 4966998
Identifier: ELS

6 SIGNATURE OF LEGAL OWNER					
SIGNATURE OF LEGAL OWNER INDICATES CONSENT FOR ELIMINATION OF TITLE / REMOVAL FROM REAL PROPERTY.					
Signature of Legal Owner and Title, IF APPLICABLE _____					
Signature of Additional Legal Owner and Title, IF APPLICABLE _____					
NOTARY SEAL OR STAMP		NOTARIZATION/CERTIFICATION FOR LEGAL OWNER(S) SIGNATURE			
		State of Washington County of _____		Signed or attested before me on _____	
		by _____ PRINT NAME OF LEGAL OWNER		Signature _____ NOTARY OR AGENT	
		by _____ PRINT NAME OF LEGAL OWNER		PRINTED NAME OF NOTARY County/Office No. OR Dealer No. OR Notary Expiration Date	
		Title DEALER'S POSITION/AGENT/NOTARY		AND:	
7 LAND DESCRIPTION (A legal description of the land can be obtained from the local County Assessor's Office)					
Lots 9 and 10 of Duncan Creek Addition according to the official plat thereof on file and of record at page 85 of book "A" of plats, records of Skamania County, Washington, said real property being located in section 34, Township 2 North, Range 6 East of the Willamette Meridian, Skamania County, Washington					
8 DEALER'S REPORT OF SALE					
I CERTIFY THAT THIS INFORMATION IS CORRECT. THE VEHICLE IS CLEAR OF ENCUMBRANCES EXCEPT AS SHOWN. ANY REQUIRED SALES TAX HAS BEEN COLLECTED.					
DEALER NAME (TYPED OR PRINTED)			WA DEALER NUMBER	DATE OF SALE	
PURCHASE PRICE	TAX JURISDICTION/TAX RATE	DEALER'S AUTHORIZED SIGNATURE _____			
<input type="checkbox"/> USE TAX EXEMPT. Sale to a Certified Tribal member on the reservation (attach notarized statement of delivery).					
9 COUNTY AUDITOR/AGENT LICENSING OFFICE APPROVAL: (Not for use by Subagents)					
I certify that the above application appears to have been completed correctly, and the applicant has sufficient documentation to proceed with the recording of this form.					
NAME (TYPED OR PRINTED) Angela Moser			COUNTY OFFICE/VFS OPERATOR NUMBER 20-01-08		
SIGNATURE Angela Moser			DATE 10-28-03		
10 TITLE FEES					
FILING FEE	APPLICATION	MOBILE HOME FEE	ELIMINATION FEE	USE TAX	SUBAGENT FEES
					TOTAL FEES & TAX
<p>IMPORTANT: Once the application has been approved by the County Auditor / Vehicle Licensing Office, take your application form to the County Recording Office. Retain proof of the recording fees paid. If the Recording Office retains your original application form, obtain a certified copy of the recorded form.</p> <p>APPLICANTS: Once recorded, you must return to a Vehicle Licensing office to file the Manufactured Home Application, paying all required fees. Vehicle licensing subagents charge a service fee.</p> <p>For full instructions on completing this form for Title Elimination, Removal from Real Property or Transfer in Location, see form TD-420-730, Manufactured Home Application Instructions.</p>					

The Department of Licensing has a policy of providing equal access to its services.
If you need special accommodation, please call (360) 902-3600 or TDD (360) 664-8885.