



AFTER RECORDING RETURN TO:

Washington Mutual
Loan Servicing
PO Box 91006 - SAS0307
Seattle, WA 98111

Attention: Consumer Loan Review
THIS DEED OF TRUST is between

9603130003

007-103-604460-103-02007-5
J. WADE CUNNINGHAM AND BETTE CUNNINGHAM,
HUSBAND AND WIFE

LIFELINE/LIFELINE PLUS
DEED OF TRUST
(Washington Use Only)
T-78558

LAND TITLE COMPANY OF SKAGIT COUNTY

whose address is 1799 W. BIG LAKE BLVD.

MOUNT VERNON WA 98273

("Grantor"); STEWART GUARANTY TITLE CO, a TEXAS corporation, the address of

which is 601 S. SECOND MOUNT VERNON, WA 98273 ("Trustee"); and

Washington Mutual Bank, a Washington corporation, whose address is 1201 Third Avenue, Seattle, Washington, 98101 ("Beneficiary").

1. Granting Clause. Grantor hereby grants, bargains, sells and conveys to Trustee in trust, with power of sale, the real property in SKAGIT County, Washington, described below, and all rights and interest in it Grantor ever gets:

Lot 27, "BIG LAKE WATER FRONT TRACTS, SKAGIT COUNTY, WASHINGTON," as per plat recorded in Volume 4 of Plats, page 12, records of Skagit County Washington.

Situate in County of Skagit, State of Washington.

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together with all income, rents and profits from it; all plumbing, lighting, air conditioning and heating apparatus and equipment; and all fencing, blinds, drapes, floor coverings, built-in appliances, and other fixtures, at any time installed on or in or used in connection with such real property, all of which at the option of Beneficiary may be considered to be either personal property or to be part of the real estate.

All of the property described above will be called the "Property". If any of the Property is subject to the Uniform Commercial Code, this Deed of Trust is also a Security Agreement which grants Beneficiary, as secured party, a security interest in all such property.

2. Obligation Secured. This Deed of Trust is given to secure performance of each promise of Grantor contained herein or in a Lifeline/Lifeline Plus Home Equity Line of Credit Agreement with Beneficiary with a maximum credit limit of \$ 35,000.00 (the "Credit Agreement"), including any extensions, renewals or modifications thereof, and repayment of all sums borrowed by Grantor under the Credit Agreement, with interest from the date of each advance until paid at the rates provided therein. The Credit Agreement provides for a variable rate of interest. Under the Credit Agreement, the Grantor may borrow, repay and re-borrow from time to time, up to the maximum credit limit stated above, and all such advances shall be secured by the lien of this Deed of Trust. This Deed of Trust also secures payment of certain fees and charges payable by Grantor under the Credit Agreement, certain fees and costs of Beneficiary as provided in Section 9 of this Deed of Trust, and repayment of money advanced by Beneficiary to protect the Property or Beneficiary's interest in the Property, including advances made pursuant to Section 6 below. The Credit Agreement provides that unless sooner repaid, the Debt is due and payable in full thirty (30) years from the date of this Deed of Trust (the "Maturity Date"). All of this money is called the "Debt".

3. Representations of Grantor. Grantor represents that:
(a) Grantor is the owner of the Property, which is unencumbered except by: easements reservations, and restrictions of record not inconsistent with the intended use of the Property and any existing first mortgage or deed of trust given in good faith and for value, the existence of which has been disclosed in writing to Beneficiary; and
(b) The Property is not used principally for agricultural or farming purposes.

4. Promises of Grantor. Grantor promises:
(a) To keep the Property in good repair and not to remove, alter or demolish any of the improvements on the Property, without first obtaining Beneficiary's written consent;
(b) To allow representatives of Beneficiary to inspect the Property at any reasonable hour, and to comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting the Property;
(c) To pay on time all lawful taxes and assessments on the Property;
(d) To perform on time all terms, covenants and conditions of any prior mortgage or deed of trust covering the Property or any part of it and pay all amounts due and owing thereunder in a timely manner;
(e) To see to it that this Deed of Trust remains a valid lien on the Property superior to all liens except those described in Section 3(a); and
(f) To keep the improvements on the Property insured by a company satisfactory to Beneficiary against fire and extended coverage perils, and against such other risks as Beneficiary may reasonably require, in an amount equal to the full insurable value of the improvements, and to deliver evidence of such insurance coverage to Beneficiary. Beneficiary shall be named as the loss payee on all such policies pursuant to a standard lender's loss payable clause.

5. Transfer or Further Encumbrance of Property. Grantor additionally promises not to sell, transfer or further encumber the Property or any interest in the Property.

6. Curing of Defaults. If Grantor fails to comply with any of the covenants in Section 4, including all the terms of any prior mortgage or deed of trust, Beneficiary may take any action required to comply with any such covenants without waiving any other right or remedy it may have for Grantor's failure to comply. Repayment to Beneficiary of all the money spent by Beneficiary on behalf of Grantor shall be secured by this Deed of Trust. The amount spent shall bear interest at the rates from time to time applicable under the Credit Agreement and be repayable by Grantor on demand.

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(See Page 2 for other important terms)

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7. Defaults: Sale

(a) Prompt performance under this Deed of Trust is essential. If Grantor doesn't pay any installment of the Loan on time, or if there is a breach of any of the promises contained in this Deed of Trust or any other document securing the Loan, Grantor will be in default and the Debt and any other money whose repayment is secured by this Deed of Trust shall immediately become due and payable in full at the option of Beneficiary. If Grantor is in default and Beneficiary exercises its right to demand repayment in full, the total amount owed by Grantor on the day repayment in full is demanded, including unpaid interest, will bear interest at a rate of fifteen percent (15%) per year (the "Default Rate") from the day repayment in full is demanded until repaid in full, and, if Beneficiary so requests in writing, Trustee shall sell the Property in accordance with the Deed of Trust Act of the State of Washington, at public auction to the highest bidder. Any person except Trustee may bid at the Trustee's sale. Trustee shall apply the proceeds of the sale as follows: (i) to the expenses of the sale, including a reasonable trustee's fee and lawyer's fee; (ii) to the obligations secured by this Deed of Trust; (iii) the surplus, if any, shall be deposited with the clerk of the Superior Court of the county in which the sale took place to be distributed in accordance with RCW 61.24.080.

(b) Trustee shall deliver to the purchaser at the sale its deed, without warranty, which shall convey to the purchaser the interest in the Property which Grantor had or the interest in the Property which Grantor had the power to convey at the time of execution of this Deed of Trust and any interest which Grantor subsequently acquired. Trustee's deed shall recite the facts showing that the sale was conducted in compliance with all the requirements of law and of this Deed of Trust. This recital shall be prima facie evidence of such compliance and conclusive evidence of such compliance in favor of bona fide purchasers and encumbrancers for value.

(c) The power of sale conferred by this Deed of Trust is not an exclusive remedy. Beneficiary may cause this Deed of Trust to be foreclosed as a mortgage or sue on the Note according to law. Beneficiary may also take such other action as it considers appropriate, including the securing of appointment of a receiver and/or exercising the rights of a secured party under the Uniform Commercial Code.

(d) By accepting payment of any sum secured by this Deed of Trust after its due date, Beneficiary does not waive its right to require prompt payment when due of all other sums so secured or to declare default for failure to so pay.

8. Condemnation; Eminent Domain In the event any portion of the Property is taken or damaged in an eminent domain proceeding, the entire amount of the award, or such portion as may be necessary to fully satisfy the Debt and all other obligations secured by this Deed of Trust, shall be paid to Beneficiary to be applied thereto.

9. Fees and Costs Grantor shall pay Beneficiary's and Trustee's reasonable cost of searching records, other reasonable expenses as allowed by law, and reasonable lawyers' fees; in any lawsuit or other proceeding to foreclose this Deed of Trust; in any lawsuit or proceeding which Beneficiary or Trustee is obliged to prosecute or defend to protect the lien of this Deed of Trust; and in any other action taken by Beneficiary to collect the Debt, including any disposition of the Property under the Uniform Commercial Code.

10. Reconveyance Trustee shall reconvey all or any part of the Property covered by this Deed of Trust to the person entitled thereto, on written request of Grantor and Beneficiary, or upon satisfaction of the Debt and other obligations secured and written request for reconveyance by Beneficiary or the person entitled thereto.

11. Trustee; Successor Trustee In the event of the death, incapacity, disability or resignation of Trustee, Beneficiary shall appoint in writing a successor Trustee, and upon the recording of such appointment in the mortgage records of the county in which this Deed of Trust is recorded, the successor trustee shall be vested with all powers of the original Trustee. Trustee is not obligated to notify any party hereto of a pending sale under any other deed of trust or of any action or proceeding in which Grantor, Trustee or Beneficiary shall be a party unless such action or proceeding is brought by the Trustee.

12. Miscellaneous This Deed of Trust shall benefit and obligate the parties, their heirs, devisees, legatees, administrators, executors, successors and assigns. The term Beneficiary shall mean the holder and owner of the note secured by this Deed of Trust, whether or not that person is named as Beneficiary herein. The words used in this Deed of Trust referring to one person shall be read to refer to more than one person if two or more have signed this Deed of Trust or become responsible for doing the things this Deed of Trust requires. If any provision of this Deed of Trust is determined to be invalid under law, that fact shall not invalidate any other provision of this Deed of Trust, but the Deed of Trust shall be construed as if not containing the particular provision or provisions held to be invalid, and all remaining rights and obligations of the parties shall be construed and enforced as though the invalid provision did not exist.

DATED at Mount Vernon , Washington this 8th day of March , 1996 .

J Wade Cunningham 3-8-96
Bette L. Cunningham 3-8-96

STATE OF Washington
COUNTY OF Skagit }

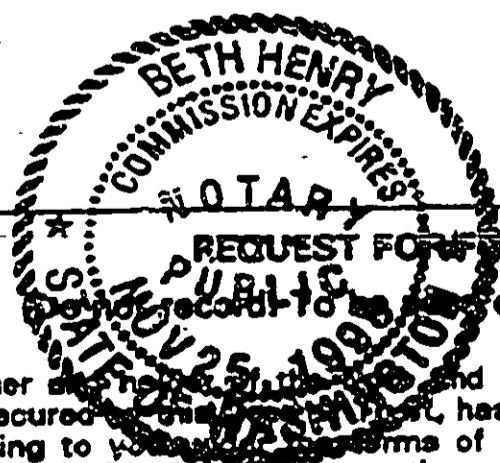
ss.

On this day personally appeared before me J WADE CUNNINGHAM and

BETTE L CUNNINGHAM , to me known to be the individuals 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.

WITNESS my hand and official seal this 8th day of March , 1996 .

Beth Henry
Notary Public in and for the state of Washington
residing at Sedro Woolley, Wa
My appointment expires 11-25-98



TO: TRUSTEE

The undersigned is the legal owner and holder of the Note and all other indebtedness secured by the within Deed of Trust. Said Note, together with all other indebtedness secured by the within Deed of Trust, has been fully paid and satisfied; and you are hereby requested and directed, on payment to you of any sums owing to the undersigned in accordance with the terms of this Deed of Trust, to cancel the Note above mentioned, and all other evidences of indebtedness secured by this Deed of Trust together with the Deed of Trust, and to convey, without warranty, to the parties designated by the terms of this Deed of Trust, all the estate now held by you thereunder.

DATED _____

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Mail reconveyance to

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