

No. 39168-6-II

COURT OF APPEALS, DIVISION II
OF THE STATE OF WASHINGTON

HUNTER CREST TWIN OAKS LLC.

Appellant,

v.

WASHINGTON MUTUAL BANK

Respondent.

BRIEF OF APPELLANT

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B. ASSIGNMENTS OF ERROR

1. The trial court erred in failing to declare Washington Mutual Bank's deed of trust invalid as a lien on real property.
2. The trial court erred in granting summary judgment in favor of Washington Mutual Bank's assignee by creating a new transaction not intended by the parties.
3. The trial court erred in granting summary judgment in favor of Washington Mutual Bank's assignee by retroactively creating a new deed of trust to the detriment of other secured creditors who were not joined in the suit.

C. ISSUES RELATED TO ASSIGNMENTS OF ERROR

1. Should Washington Mutual Bank's deed of trust be declared invalid as a lien on real property?
2. Should the court intervene in the loan transaction to give the bank a better deal than originally intended?

3. Can the court retroactively renovate Washington Mutual's deed of trust to place it in front of other secured creditors who were not parties to the action?

D. STATEMENT OF THE CASE

On August 11, 2006, Dean Hunter and his son, Daniel Hunter, formed Hunter Crest Twin Oaks, LLC ("HCTO") was formed for the sole purpose of holding title to and developing a single family residence located at 8719 Custer Road SW in Lakewood, Washington ("the Property"). CP 8-12. Dean Hunter and his wife borrowed money against their home to make the purchase. CP 8, 257-260.

The Property included a small home on a large lot. CP 257. Mr. Hunter intended that his son, Daniel Hunter, would remodel the existing residence and build a new house on the

north half of the large lot in exchange for a share of HCTO. CP 257-260.

In January, 2007, Daniel Hunter approached Washington Mutual Bank about a loan. CP 262. Washington Mutual offered Daniel a loan product called a “HELOC” (home equity line of credit). CP 76, 147. The “WaMu Equity Plus” personal line of credit documents included a Property Affidavit, Loan Agreement and Deed of Trust naming Daniel Hunter as the borrower and the owner of the Property to secure the loan. CP 51-72.

Daniel Hunter did not own the Property purportedly to be secured by the Deed of Trust. HCTO owned the Property. CP 29-37. Daniel Hunter had authority to convey title to the Property as a managing member of HCTO. CP 268. Dean Hunter planned on Daniel earning a share of the LLC. CP 259-60. However, Daniel forfeited any share when he resigned

from the company. CP 26. Washington Mutual prepared the loan and security instrument for Daniel Hunter with full knowledge that he did not own the Property.

Records Publicly Available. HCTO's deed to the Property was filed under Pierce County Auditor's number 200608311270. CP 17-33. The deed is available for viewing to the general public online without any special access restrictions. Property tax information showing HCTO as owner is also readily available online at the Pierce County Assessor's website. CP 378-80.

"YES PLEASE ORDER." Page 2 of the bank's loan Comment Summary contains separate lines for "APPRAISAL" and "TITLE INSURANCE" requests from the loan officer to the bank's loan processing department. Each line contains the message "YES PLEASE ORDER." CP 75.

Property Verification Report. Page 4 of the WaMu Equity Plus Loan Agreement and Disclosure contains a \$55.00 charge to Daniel Hunter for a “Property Verification Report.” CP 63.

“Names and vesting verified.” Page 4 of the bank’s transaction log contains this entry for January 17, 2007: “Request type is Instant Title. Names and vesting verified.” CP 85. It appears from the Comment Summary that the bank skipped the Property Verification Report, title insurance, and appraisal in a rush to close the loan. CP 85.

First American Lender’s Advantage Title Report. The Deed of Trust prepared by Washington Mutual named Daniel Hunter as grantor. CP 201-12. When Daniel signed it, the Deed of Trust referenced “Attachment A” for the Property’s legal description, but the “Attachment A” only showed the Property’s street address. CP 201, 212. The Property Affidavit

and Agreement anticipates this in a provision that allows the bank to amend the Deed of Trust with the correct legal description. CP 219-20. First American replaced the Deed of Trust's original "Attachment A" with a new "Attachment A" showing the full legal description. CP 24. The amended Deed of Trust was recorded on February 22, 2007. CP 17-33. The substituted "Attachment A" also contains the words "HUNTER CREST TWIN OAKS LLC" below the tax parcel number. CP 33.

The several references to "Lenders Advantage" and to HCTO is evidence that Washington Mutual purchased the title product from First American Title Company. CP 17, 24. The bank has not produced any other documentation related to this transaction with First American Title, most notably, the title report.

Puget Sound Title Report. Washington Mutual's loan officer, Moses Staton, ordered a title report from Puget Sound Title Company. CP 369-71. The report is dated January 31, 2007 and shows title vested in Hunter Crest Twin Oaks, LLC. CP 175. The fact that HCTO was able to substantiate the existence of the report is compelling evidence that Puget Sound Title's records were accurate and that the bank's denial that it received the report is self-serving. Puget Sound Title faxed the title report to Washington Mutual. CP 174, 366.

No Evidence that Funds Were Disbursed. The bank alleges that the loan "funded" when Daniel Hunter signed the loan documents on January 26, 2007. CP 437-40. This presumes that the entire line of credit was withdrawn the day Daniel signed the documents—as if the line of credit were a mortgage. There is no evidence to support this presumption. In

fact, the bank has not accounted for the dates and amounts that principal and interest were charged on the loan.

More relevant—there is no evidence to show how much, if anything, Daniel Hunter withdrew from the line of credit before the bank had all three title products that it ordered. The borrower on the line of credit was authorized to withdraw the funds in increments of \$100.00. CP 211. The loan permits the bank to cancel the line of credit at any time if it discovers a misrepresentation by the borrower. CP 112. The closing date of the loan is not material to the issue of when the bank knew that Daniel Hunter did not own the Property.

Daniel Hunter performed some work on the Property, but his progress was interrupted when he became terminally ill with stomach cancer. CP 258. It is unknown how much of the loan funds were used on the Property and how much of the funds were used for Daniel Hunter's personal expenses. CP 266.

Dean Hunter recruited Douglas Hales to take over management of the project. Hales and Raban Contractor Services, LLC (“RCS”) advanced \$140,000.00 and \$100,000.00, each secured by a Deed of Trust granted by HCTO. CP 37.

On April 9, 2008 Hales, an attorney, filed this quiet title action for declaratory judgment that Washington Mutual’s Deed of Trust was invalid as a lien on the real Property. CP 1-3.

On September 25, 2008, JP Morgan Chase Bank, N.A. purchased the assets of Washington Mutual Bank after Washington Mutual failed and went into receivership. CP 402-3.

On March 13, 2009, Washington Mutual’s assignee, JP Morgan Chase Bank, NA intervened in the suit to take the place of Washington Mutual Bank. CP 445-6. That same day, Superior Court Judge Brian Tollefson dismissed HCTO's claims

and granted summary judgment in favor of Washington Mutual's assignee, declaring the Deed of Trust "a valid first position lien on the property that is described in that instrument, over and above any right, claim, title or interest of the Plaintiff and any of its assigns and successors in interest." CP 448-51. The judgment does not mention the deeds of trust in favor of Hales and RCS, nor were Hales or RCS parties to the quiet title action at the time.

HCTO appealed the trial court decision to the Court of Appeals on April 9, 2009. CP 483-90. On June 18, 2009, HCTO filed for Chapter 7 bankruptcy protection, case no. 09-44319, in U.S. Bankruptcy Court of the Western District of Washington. On December 8, 2011, the bankruptcy action was closed after discharge and after it was determined that HCTO had no distributable assets.

The original parties to the loan and to this lawsuit effectively no longer have a stake in the outcome. Daniel Hunter died on October 18, 2007. CP 28. Washington Mutual's assets were taken over by JP Morgan Chase Bank. CP 402-3. On December 14, 2011, HCTO assigned its interest in this lawsuit to creditors Hales and RCS. Hales and RCS have moved to be substituted for HCTO in this appeal.

This case is now a contest between creditors with competing deeds of trust seeking to recover on their loans.

E. SUMMARY OF ARGUMENT

Washington Mutual Bank prepared loan documents and a deed of trust naming Daniel Hunter as borrower and as owner of the Property to be secured with full knowledge, or complete disregard, of the fact that Daniel Hunter did not own the

Property to be secured. The loan transaction was drafted exactly as the bank intended. The court should not rewrite the loan transaction to give the bank a better deal than originally intended.

The deed of trust is invalid as a lien on the Property because it is not granted by the owner of the Property– HCTO. By declaring the deed of trust valid, the trial court gave the bank something that the bank was unable to do legitimately in the first place– make a hybrid consumer-commercial loan consisting of a personal line of credit secured by property owned by an LLC.

Even if the court of appeals affirms the trial court’s decision that Washington Mutual’s assignee should receive a valid lien against the HCTO Property, the judgment should be reversed in part to make the Deed of Trust valid as of the date of the trial court decision, March 13, 2009. No action adverse

to the other secured creditors should be made unless they are joined in the bank's action and given an opportunity to respond.

F. ARGUMENT

Issue 1 -Should Washington Mutual Bank's deed of trust be declared invalid as a lien on real property?

a. Summary Judgment Standard.

Summary judgment orders are reviewed de novo. *Qwest Corp. V. City of Bellevue*, 161 Wn.2d 353, 358, 166 P.3d 667 (2007). Summary judgment is appropriate only if the pleadings, affidavits, depositions, and admissions on file demonstrate the absence of any genuine issues of material fact, and the moving party is entitled to judgment as a matter of law. CR 56(c). All reasonable inferences from the facts are drawn in the light most favorable to the nonmoving party. *Hisle v. Todd Pac. Shipyards Corp.*, 151 Wn.2d 853, 860-61, 93 P.3d 108

(2004). Questions of fact may be determined on summary judgment as a matter of law only where reasonable minds could reach but one conclusion. *Alexander v. County of Walla Walla*, 84 Wash.App. 687, 692, 929 P.2d 1182 (1997).

Washington Mutual Bank's assignee, JP Morgan Chase Bank, N.A., intervened in this case at the same time as the court decided the summary judgment. CP 445-6, 448-51. The assignment was made six months earlier. The bank did not provide any information or background related to the assignment other than Washington Mutual went into receivership. CP 445-6.

The court should be mindful that it does not know when funds were disbursed on this loan. It is impossible to calculate an amount due without disclosure by the bank of the principal and interest.

The court does not know whether any funds were disbursed prior to receipt of the Property Verification Report, the Puget Sound Title Report, or the First American Lender's Advantage Title Report.

The bank is not entitled to inferences in its favor related to evidence that it has not submitted.

This appeal involves cross motions for summary judgment. Hales and Raban request reversal of the summary judgment order in favor of the bank, and request reversal of the denial of HCTO's summary judgment motion. Alternatively, Hales and Raban request that the trial court decision either be vacated and remanded for trial if factual questions remain, or be partially reversed to make the effective date of validity of the deed of trust March 13, 2008 so that the decision does not prejudice non-parties to the action.

c. Requirements of a Deed.

“Every deed shall be in writing, signed by the party bound thereby, and acknowledged by the party before some person authorized by this act to take acknowledgments of deeds.” RCW 64.04.020.

“Grantor” means a person, or its successors, who executes a deed of trust to encumber the person’s interest in property as security for the performance of all or part of the borrower’s obligations. RCW 61.24.005(1)

No deed can operate so as to convey an interest which grantor does not have in the land described in the deed, or so as to convey a greater estate or interest than the grantor has. 23 AmJur 2d Deeds, Sections 274, 194; see *Meltzer v. West*, 7 Wn.App. 90, 497 P.2d 1348 (1972).

Unless it is reformed by the court to conform with the statutory requirements, Washington Mutual's Deed of Trust is invalid as a lien on the Property.

c. Deed Reformation.

In order to obtain reformation of a deed, it is not sufficient to show that one party acted unconscionably or unfairly toward the other. Rather, there must be a demonstration that the deed, as written, is erroneous. Such an error must be the result of a mistake or some form of oppression. The following list sets forth the commonly recognized grounds for an action to reform a deed. While not all courts agree that every element in the list is a proper ground, there is general agreement on the first two:

- (1) mutual mistake of fact in which the deed, as written, does not conform to the prior agreement of the parties;
- (2) fraud by one party which causes the other party to be under a mistaken belief as to the contents of the deed;
- (3) duress by one party which deprives the other party of any true freedom of choice;

(4) unilateral mistake by one party and fraudulent or inequitable conduct by the other party, especially where the latter party knew of the other's mistake and kept silent; and

(5) mistake of law, (although there appears to be substantial authority that this is not a proper ground for a reformation action).

Richard R. Powell, *Powell on Real Property*, Vol. 14, Michael Allan Wolf, Gen. Ed., June 2000.

Duress or mistake of law are not at issue here. Mutual mistake and fraud are addressed under issue 2 below.

Unilateral mistake and improper conduct by the other party do not apply here because reasonable minds could not differ in concluding that the bank acted with full knowledge or with complete disregard of the true ownership of the Property. The extent of the bank's knowledge of ownership is discussed under "extrinsic evidence" below.

d. Scrivener's Error.

A court may reform a deed to correct a scrivener's error. *Wilhelm v. Beyersdorf*, 100 Wn.App. 836, 843-44, 999 P.2d 54 (2000). A scrivener is "a writer; scribe; conveyance. One whose occupation is to draw contracts, write deeds and mortgages, and prepare other species of written instruments..." Blacks Law Dictionary, 5th ed.

The inclusion of Daniel Hunter's name on the deed of trust was a material term of the transaction and was not inadvertent or due to a scrivener's error. The bank drafted the deed of trust as a principal— not a scrivener. Hindsight reveals this to be an error in judgment— not a scrivener's error.

e. Equitable Lien.

The trial court's summary judgment declaring Washington Mutual's deed of trust "a valid first position lien on

the property... over and above any right, claim, title or interest of the Plaintiff and any of its assigns and successors in interest” effectively renovates the original deed of trust, and back-dates the renovation to thwart prior-recorded liens.

The order fashions an extraordinary remedy to give Washington Mutual, now defunct, a good loan in place of the bad loan that it made to an unqualified borrower. The order assumes that the bank had no responsibility to act on title information from the three title reports it received.

Washington courts have been more inclined to consider equitable liens rather than to retroactively reform defective deeds.

In *Sorenson v. Pyeatt*, 158 Wn.2d 523, 532-533, 146 P.3d 1172 (2006), a group of commercial lenders sought an equitable lien against real property used as loan collateral after their deeds of trust were found to be invalid because the grantor’s

title was obtained through forged quitclaim deeds. The equitable lien awarded by the trial court was vacated on appeal in part because the lenders “failed to show that they detrimentally relied on an admission, act, or statement” by the true owner of the property. *Sorenson*, 158 Wn.2d at 527.

In *Falconer v. Stevenson*, 184 Wash. 438, 51 P.2d 618 (1935), a court-appointed guardian mortgaged his ward’s property to obtain funds to construct a house on the property. After the ward became emancipated through marriage, the lender’s assignee sued on the note and sought to foreclose on the mortgage. Alternatively, the assignee sought an equitable lien. The trial court held that because the mortgage that was signed by the guardian was ineffective to encumber the property, it could not be foreclosed, but the trial court imposed an equitable lien on the property. The Supreme Court reversed the trial court because the ward who owned the property that

was mortgaged had no say in the loan, thus the equitable loan was ineffective for the same reason that the mortgage was ineffective, even though the property was apparently improved with the loan proceeds (cited in *Sorenson v. Pyeatt*, 158 Wn.2d 523, 532-533, 146 P.3d 1172 (2006)).

An equitable lien is the remedy available to Washington Mutual's assignee if, as it alleges, the bank had been fooled into accepting an invalid Deed of Trust to secure its loan. The court should not give Washington Mutual an equitable lien, however, because Washington Mutual has not shown that it detrimentally relied on any admission, act, or statement by HCTO. Quite to the contrary, Washington Mutual received ample title information from multiple sources and even charged Daniel Hunter \$55.00 for an independent Property Verification Report. Washington Mutual has no claim on equity because it has unclean hands—Washington Mutual should have looked at the

Property Verification Report for which it charged a fee, and should have looked at at least one of the other title reports that it ordered.

Issue 2 - Should the court intervene in the loan transaction to give the bank a better deal than originally intended?

a. Contract Interpretation.

Interpretation of a contract provision is a question of law when (1) the interpretation does not depend on the use of extrinsic evidence, or (2) only one reasonable inference can be drawn from the extrinsic evidence. *Scott Galvanizing, Inc. v. N.W. EnviroServices, Inc.*, 120 Wn.2d 573, 582, 844 P.2d 428 (1993).

The loan transaction at issue is only between Washington Mutual Bank and Daniel Hunter. The transaction was drafted by Washington Mutual and consists of multiple documents. Hunter Crest Twin Oaks LLC does not appear in any of the

documents prepared for Daniel Hunter's signature. The contract, as a matter of law, can only be interpreted to create an agreement by Washington Mutual to make a personal loan to Daniel Hunter secured by Daniel Hunter's interest in property located at 8719 Custer Road SW in Lakewood.

b. Expressed Intention of the Parties.

“The cardinal rule with which all interpretation begins is that its purpose is to ascertain the intention of the parties.”

Berg v. Hudesman, 115 Wn.2d 657, 663, 801 P.2d 222 (1990) (quoting Arthur L. Corbin, *The Interpretation of Words and the Parol Evidence Rule*, 50 CORNELL L. QUAR. 161, 162 (1965)).

The WaMu Equity Plus loan documents do not exhibit any intent other than to create a personal loan transaction between Washington Mutual and Daniel Hunter.

c. Ambiguity.

A written contract is ambiguous when its terms are uncertain or capable of being understood in more than one manner. *Farmers Ins. Co. v. U.S.F. & G. Co.*, 13 Wn.App. 836, 840-41, 537 P.2d 839 (1975). Words should be given their ordinary meaning; courts should not make another or different contract for the parties under the guise of construction.

Corbray v. Stevenson, 98 Wn.2d 410, 415, 656 P.2d 473 (1982).

“While ambiguity in a deed is resolved against the grantor, the intent of the parties is of paramount importance.” *Harris v. Ski Park Farms, Inc.* 120 Wn.2d 727, 745, 844 P.2d 1006 (1993) citing *Kunkel v. Meridian Oil, Inc.*, 114 Wn.2d 896, 901, 792 P.2d 1254 (1990) and *Swan v. O’Leary*, 37 Wn.2d 533, 535, 225 P.2d 199 (1950).

Nothing in the loan transaction itself is ambiguous. However, the “Attachment A” of the recorded deed of trust contains the words “HUNTER CREST TWIN OAKS LLC” below the tax parcel number. Below the parcel number are the Property street address, loan reference number, and the following additional reference:

First American Order No.: 11424496
Identifier: FIRST AMERICAN LENDERS
ADVANTAGE

CP 33.

This additional language makes clear that Washington Mutual used an agent, First American, to record the deed of trust, and that the agent was aware that Hunter Crest Twin Oaks LLC had some connection to the property. This notation does not create an ambiguity, but it is evidence that the bank had correct title information available to it and notwithstanding

proceeded to record an invalid Deed of Trust for its own unexpressed purposes.

d. Extrinsic Evidence– Property Ownership and Intent.

In order to interpret the original meaning of a contract term, extrinsic evidence is admissible, even if the term appears unambiguous. *Denny’s Rests., Inc. v. Sec. Union Title Ins. Co.*, 71 Wn.App. 194, 201, 859 P.2d 619 (1993) citing *Berg*, 115 Wn.2d at 669. In Washington, “extrinsic evidence is admissible as to the entire circumstances under which the contract was made, as an aid in ascertaining the parties’ intent.” *Berg*, 115 Wn.2d at 667.

However, “[u]nexpressed impressions are meaningless when attempting to ascertain the [parties’] mutual intentions.” *Lynott v. Nat’l Union Fire Ins. Co.*, 123 Wn.2d 678, 684, 871

P.2d 146 (1994) (quoting *Dwelley v. Chesterfield*, 88 Wn.2d 331, 335, 560 P.2d 353 (1977)).

The extrinsic evidence reveals two disturbing facts about the loan transaction. First, the Property Affidavit and Agreement alleging that title to the Property was held only by Daniel Hunter was false. Second, the grantor of Washington Mutual's Deed of Trust, Daniel Hunter, was not the owner of the Property.

The bank argues that this extrinsic evidence exhibits a general intent by Washington Mutual and Daniel Hunter to secure Daniel's personal loan with HCTO's property, and therefore the court should intervene to give effect to that "intent."

However, such extrinsic evidence is admissible only "for the purpose of aiding in the interpretation of what is in the instrument, and not for the purpose of showing intention

independent of the instrument.” *Berg*, 115 Wn.2d at 669 (quoting *J.W. Seavey Hp Corp. v. Pollock*, 20 Wn.2d 337, 348-49, 147 P.2d 310 (1944)).

The totality of the extrinsic evidence supports a factual determination that the bank received exactly what it intended: a personal loan that falsely appeared to be secured by that same person.

First, title information on the Property was publicly available to anybody, including Washington Mutual Bank.

Second, the bank’s records confirm that the bank ordered title insurance prior to preparing the loan documents.

Third, Washington Mutual charged Daniel Hunter \$55.00 to purchase a Property Verification Report, which would have revealed the true owner.

Fourth, the bank verified ownership from a product called “Instant Title” on January 17, 2007 prior to closing the loan.--

Fifth, the bank purchased a title product called “Lender’s Advantage” from First American. Information about HCTO’s interest in the Property was part of this product.

Sixth, Washington Mutual ordered a title report from Puget Sound Title Company, which was faxed to Washington Mutual on February 6, 2007. The report showed title vested in Hunter Crest Twin Oaks, LLC.

Seventh, there is no evidence that Daniel Hunter withdrew any funds from the line of credit before the bank had in its possession all of the title information. The bank could have cancelled the loan at any time,

but instead allowed Daniel Hunter to withdraw the entire line of credit without requiring that HCTO provide a valid deed of trust.

These facts are sufficient to convince reasonable minds that Washington Mutual knew HCTO was the Property owner before Washington Mutual disbursed loan funds to Daniel Hunter.

e. Presumptions and Spoliation.

For the purpose of Washington Mutual's motion for summary judgment, all reasonable inferences from the facts are drawn in the light most favorable to the nonmoving party—HCTO. *Hisle*, 151 Wn.2d 860-61. The court should not make an unfounded presumption that Washington Mutual lacked knowledge of HCTO's ownership, particularly when Washington Mutual has failed to produce copies of the Instant

Title report, the Puget Sound Title report, and the Lender's Advantage report.

On the other hand, the court should infer that the title reports would have been accurate. A court can apply a rebuttable presumption in cases of spoliation based on two factors: "(1) the potential importance or relevance of the missing evidence; and (2) the culpability or fault of the adverse party." *Marshall v. Bally's Pacwest, Inc.*, 93 Wn.App. 372, 972 P.2d 475 (1999).

In weighing the importance of the evidence, the court considers whether the adverse party was afforded an adequate opportunity to examine it. Culpability turns on whether the party acted in bad faith or whether there is an innocent explanation for the destruction. *Marshall*, at 93 Wn.App. 382.

There is little chance of finding out whether Washington Mutual's inability to produce any of the title reports was

malicious destruction of evidence or poor record keeping. The evidentiary presumption should be the same in either case— that the reports, if produced, would have accurately shown that HCTO was the owner of the Property. Washington Mutual could only overcome this presumption by producing the reports.

f. Why Would the Bank Make This Bad Loan?

The bank alleges that its employees were fooled by Daniel Hunter. CP 437-9. While this does not comport with the many title reports received by Washington Mutual, it is still difficult to believe that the bank would act so irresponsibly.

Washington Mutual employees' reckless disregard for the truth only makes sense in the context that they wanted to make another loan more than they cared about properly securing the loan. A home equity line of credit is a consumer loan intended for a person who could give his residence as

security. Daniel Hunter didn't qualify because he didn't own a residence. HCTO was recently formed and had no credit history, and the Washington Mutual branch did not offer commercial loans anyway. CP 139.

Another consideration is the plausibility of the bank's professed ignorance. How likely is it, really, that Daniel Hunter never mentioned to the loan officer that HCTO owned the Property? What are the chances that he would think that he could walk into a bank and get them to loan him money without checking on the collateral? Which is really more likely—that the loan officer was fooled, or that the loan officer found a way to make the loan happen? Under CR 56, the court should not resolve this question by making an inference in favor of the bank.

The bank's conduct is the best evidence of its intent. Based on all of the title information that Washington Mutual

had available to it, reasonable minds must conclude that Washington Mutual employees, when faced with the choice between fudging on the loan requirements and turning down the loan because the customer didn't qualify, they chose the former.

If Daniel Hunter wouldn't have died and if the housing market would've continued to skyrocket, then the bank's reckless actions would have paid off. Alas, it did not turn out that way, but the court should not intervene to make a new loan to protect the bank from unethical behavior or extremely poor judgment.

g. Should the Court Reform the Loan?

1. Mutual Mistake.

A party to a contract is entitled to reformation of the contract if either there has been a mutual mistake or one party is mistaken and the other party engaged in fraud or inequitable

conduct. *Washington Mutual v. Hedreen*, 125 Wn.2d 521, 525, 886 P.2d 1121 (1994).

Mutual mistake will support reformation of a contract where the contracting parties had identical intentions but the writing materially varies from that intent. *Denny's Rests.*, 71 Wn.App. at 212 (1993). Contracts are not reformed for mistake; writings are. *A & A Sign Co. v. Maughan*, 419 F.2d 1152, 1156 (9th Cir. 1969). "The mistake must be proved by clear, cogent and convincing evidence, and if doubts exist as to the parties' intent, reformation is not appropriate." *Denny's Rests.*, 71 Wn.App. at 212. "The unexpressed intention of one party is meaningless as to the mutual intention of the parties." *Am. States Ins. Co. v. Breesnee*, 49 Wn.App. 642, 646, 745 P.2d 418 (1987).

Mutual mistake does not apply to the WaMu-Daniel Hunter loan. There is no evidence that both parties were

mistaken about the Property's ownership. In fact, the evidence is consistent with both parties knowing exactly what they were doing and getting exactly what they intended.

2. Fraud.

A party has engaged in fraud or inequitable conduct if it conceals a material fact from the other party. *Washington Mutual*, 125 Wn.2d at 526. The party seeking reformation of a contract on the ground of misrepresentation must show not only that the misrepresentation was false, but that the party was actually misled by the misrepresentation. REFORMATION OF INSTRUMENTS, 66 AmJur2d §24; *Timber Investors, Inc. v. U.S.*, 218 Ct. Cl. 408, 587 F.2d 472 (1978).

Given the facts of this case, it is clear that the "fraud" or inequitable conduct in this transaction was by mutual consent. Washington Mutual was not entitled to rely on Daniel Hunter's

Property Affidavit because Washington Mutual charged Daniel Hunter \$55.00 for a title report from a third party and then ignored it. Washington Mutual also received at least two other title reports before Daniel Hunter received any money from the line of credit. They both received what they intended, even if the result was not what they anticipated.

3. Doctrine of Disregard.

Corporations [and limited liability companies] are ordinarily recognized as legal entities separate and distinct from their own shareholders, officers, and directors, and from other corporations [footnotes omitted]... When they have refused to recognize the corporation as a separate legal entity, Washington's courts have employed the "doctrine of disregard."

...In all cases, the doctrine's remedial power is directed against the shareholders, officers, directors, or other corporations that are "alter egos" of the corporation.

Harris, "Washington's Doctrine of Corporate Disregard," 56

WASH. L. REV., 253.

Typically, the injustice which dictates a piercing of the corporate veil is one involving fraud, misrepresentation, or some form of manipulation of the corporation to the stockholder's benefit and creditor's detriment. *Truckweld Equipment Co. v. Olson*, 26 Wn.App. 638, 644-645, 618 P.2d 1017 (1980).

In the present case, the trial court ignored the separateness of Daniel Hunter and Hunter Crest Twin Oaks, LLC and treated the loan transaction as if it had been between Washington Mutual and HCTO. Disregarding the separateness of Daniel Hunter and HCTO is not justified by the facts. On the contrary, corporate disregard by the court gave the bank something that the bank was unable to do legitimately in the first place— make a hybrid loan consumer-commercial loan consisting of a personal line of credit secured by property owned by an LLC.

h. Attorney's Fees.

If the summary judgment order in favor of Washington Mutual is vacated or reversed, then the judgment against HCTO for Washington Mutual's attorney's fees should also be reversed.

The question of attorney's fees is largely a moot point. HCTO has no equity in the Property or other assets from which to satisfy a judgment. Washington Mutual Bank no longer exists, and the remaining litigants have no contract with each other upon which to claim an award of fees. See *Bank of New York v. Hooper*, 164 Wn.App. 295, 303-4, 263 P.3d 1263 (2011).

ISSUE 3 - Can the court retroactively renovate Washington Mutual's deed of trust to place it in front of other secured creditors who were not parties to the action?

A trial court lacks jurisdiction over a matter if all necessary parties are not joined. *Treyz v. Pierce County*, 118 Wn.App. 458, 462, 76 P.3d 292 (2003), *review denied*, 151 Wn.2d 1022, 91 P.3d 94 (2004), cited in *Bainbridge Citizens United v. Washington State Dept. of Natural Resources*, 147 Wn.App. 365, 198 P.2d 1033 (2008).

Under RCW 7.24.110, a party seeking a declaratory judgment must join “all persons... who have or claim any interest which would be affected by the declaration.” A party is necessary if (1) the trial court cannot make a complete determination of the controversy without that party’s presence, (2) the party’s ability to protect its interest in the subject matter of the litigation would be impeded by a judgment in the case, and (3) judgment in the case necessarily would affect the party’s interest. *Town of Ruston v. City of Tacoma*, 90 Wn.App. 75, 82, 951 P.2d 805, *review denied*, 136 Wn.2d

1003, 966 P.2d 902 (1998); *Primark, Inc. v. Burien Gardens Assocs.*, 63 Wn.App. 900, 907, 823 P.2d 1116 (1992).

HCTO did not name Hales and Raban as parties because, if HCTO would have been granted the relief it requested, the positions of Hales and Raban's deed of trust would not have changed.

The bank, on the other hand, should have joined Hales and Raban as necessary parties to the bank's claim for retroactive reformation of its Deed of Trust— to create a valid lien where an invalid one existed. The relief sought by the bank, and granted by the trial court, prejudices the liens of Hales and Raban in their absence from the suit. The relief granted to the bank should not prejudice non-parties to the bank's action. Therefore, if Washington Mutual's Deed of Trust is declared a valid lien, then the effective date of validity

should not be retroactive, because doing so would prejudice the liens of non-parties to the bank's counter-suit.

G. CONCLUSION

If the court reasonably believes that the bank was fooled by Daniel Hunter and is entitled to relief, then an equitable lien, effective as of the date of the court's order, would be the appropriate remedy.

RESPECTFULLY SUBMITTED this 7th day of March, 2012.

A handwritten signature in black ink, appearing to read 'D. Smith', is written over a horizontal line.

David C. Smith, WSBA #29824
Attorney for Appellants

CERTIFICATE OF SERVICE

On penalty of perjury under the laws of the State of Washington, I certify that I served copies of the foregoing document, with appendices attached, by electronic mail and by U.S. Mail, to the following:

Kennard M. Goodman
Ann T. Marshall
720 Olive Way, Ste 1201
Seattle WA 98101-1878
kgoodman@bwmlegal.com
amarshall@bwmlegal.com

DATED this 7th day of March, 2012.

A handwritten signature in black ink, appearing to read "DC Smith", written over a horizontal line.

David C. Smith

APPENDIX 1

CHRONOLOGY OF EVENTS

CHRONOLOGY OF EVENTS

- 11 Aug 2006 Hunter Crest Twin Oaks, LLC (HCTO) is formed, CP 12
- 29 Aug 2006 HCTO purchases Lakewood Property, CP 14-15
- 16 Jan 2007 Washington Mutual orders title insurance on Property, CP 75
- 26 Jan 2007 WaMu charges \$55.00 for Property Verification Report, CP 63
- Daniel Hunter executes loan documents, CP 201-226
- WaMu “verifies” names and vesting of title, CP 82
- 31 Jan 2007 Puget Sound Title report on Property, CP 367-371
- 22 Feb 2007 Deed of Trust referencing HCTO recorded, CP 17-24
- 20 Aug 2007 Daniel Hunter withdraws from HCTO, CP 26
- 18 Oct 2007 Daniel Hunter dies, CP 28
- 9 Apr 2008 Hales and Raban record deeds of trust granted by HCTO, CP 37
- HCTO files suit for quiet title against WaMu, CP 1-3
- 25 Sep 2008 JP Morgan Chase Bank purchases WaMu’s assets, CP 404
- 13 Mar 2008 JP Morgan Chase intervenes as WaMu’s assignee, CP 445-446
- JP Morgan Chase granted summary judgment, CP 448-451
- 9 Apr 2008 HCTO files appeal to Court of Appeals, CP 483-490
- 18 Jun 2009 HCTO files Chapter 7 bankruptcy
- 8 Dec 2011 HCTO “no asset” bankruptcy closed
- 14 Dec 2011 HCTO assigns interest in quiet title action to Hales and Raban

APPENDIX 2

HUNTER CREST TWIN OAKS LLC
REGISTRATION APPLICATION
CP 12



STATE OF WASHINGTON SECRETARY OF STATE

APPLICATION TO FORM A LIMITED LIABILITY COMPANY.

(Per Chapter 25.15 RCW) FEE: \$175

Please PRINT or TYPE in black ink Sign, date and return original AND ONE COPY to:

FILED SECRETARY OF STATE

EXPEDITED (24-HOUR) SERVICE AVAILABLE - \$20 PER ENTITY INCLUDE FEE AND WRITE "EXPEDITE" IN BOLD LETTERS ON OUTSIDE OF ENVELOPE

AUG 11 2006

CORPORATIONS DIVISION 801 CAPITOL WAY SOUTH • PO BOX 40234 OLYMPIA, WA 98504-0234

FOR OFFICE USE ONLY

STATE OF WASHINGTON CORPORATION NUMBER: UBI: 602 639 999

BE SURE TO INCLUDE FILING FEE. Checks should be made payable to "Secretary of State"

Important Person to contact about this filing: Dean E. Hunter Daytime Phone Number (with area code): (253) 307-6800

CERTIFICATE OF FORMATION

NAME OF LIMITED LIABILITY COMPANY (LLC) (Must contain the word "Limited Liability Company" "Limited Liability Co." "L.L.C." or "LLC") Hunter Crest Twin Oaks LLC ADDRESS OF LLC'S PRINCIPAL PLACE OF BUSINESS Street Address (Required) 1505 N. 10th St City Tacoma State WA ZIP 98403 EFFECTIVE DATE OF LLC (Specified effective date may be up to 90 days AFTER receipt of the document by the Secretary of State) DATE OF DISSOLUTION (if applicable) MANAGEMENT OF LLC IS VESTED IN ONE OR MORE MANAGERS

PLEASE ATTACH ANY OTHER PROVISIONS THE LLC ELECTS TO INCLUDE

NAME AND ADDRESS OF WASHINGTON STATE REGISTERED AGENT Name Daniel Hunter Street Address (Required) 1505 N. 10th St City Tacoma State WA ZIP 98403 I consent to serve as Registered Agent in the State of Washington for the above named LLC. Signature of Agent Daniel E. Hunter Date Aug 11

NAMES ADDRESSES OF EACH PERSON EXECUTING THIS CERTIFICATE (if necessary, attach additional names and addresses) Printed Name Dean E. Hunter Signature Address 1004 N. Cushman Ave. City Tacoma State WA ZIP 98403 Printed Name Daniel E. Hunter Signature Address 3033 62nd Ave SW Lower City Seattle State WA ZIP 98116 Printed Name Daniel Hunter Signature

FOR OFFICE USE ONLY

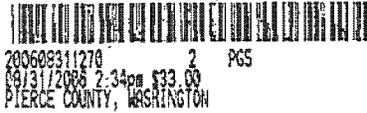
08/11/2006 895874 \$195.00 Check #1377 Tracking ID: 1150894 Doc No: 895874-001

APPENDIX 3

STATUTORY WARRANTY DEED
8719 CUSTER ROAD SW, LAKEWOOD
CP 14-15

① PRIVATE

631320-34



When recorded return to:

Mr. Daniel Hunter, Managing Member
1505 North 10th St.
Tacoma, WA 98403

Filed for Record at Request of
Approved Escrow, Inc.
Escrow Number: 0610410CG-B

Grantor: Thomas Lee Goebel
Grantee: HUNTER CREST TWIN OAKS, LLC

Statutory Warranty Deed

THE GRANTOR Thomas Lee Goebel, an unmarried individual for and in consideration of TEN DOLLARS AND OTHER GOOD AND VALUABLE CONSIDERATION in hand paid, conveys and warrants to HUNTER CREST TWIN OAKS, LLC, a Washington Limited Liability Company the following described real estate, situated in the County of Pierce, State of Washington

Abbreviated Legal:
Ptn. NE, 34-20-02

For Full Legal See Attached Exhibit "A"

Tax Parcel Number(s): 0220341077

Dated 08/18/2006

Thomas Lee Goebel
Thomas Lee Goebel

STATE OF Washington
COUNTY OF Pierce) SS:

I certify that I know or have satisfactory evidence that Thomas Lee Goebel

is/are the person(s) who appeared before me, and said person(s) acknowledged that he/she/they signed this instrument and acknowledge it to be his/her/their free and voluntary act for the uses and purposes mentioned in this instrument.

Dated: August 29, 2006

Brittany S. Campeau
BRITTANY S. CAMPEAU
Notary Public in and for the State of Washington
Residing at TACOMA
My appointment expires: October 29, 2006



For reference only, not for re-sale.

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EXHIBIT A

Beginning 193.25 feet north of the southeast corner of the northeast quarter of Section 34, Township 20 North, Range 2 East, W.M., in Pierce County, Washington;
Thence South 89°20' west 277.78 feet;
Thence northerly along the east line of the Manitou- Custer Road, 100 feet;
Thence north 89°20' east 277.67 feet;
Thence south 0°16' east 100 feet to the point of beginning;
EXCEPT the east 120 feet thereof.
Subject To:
Restrictions contained in instrument: under recording no. 1399217.

For reference only, not for re-sale.

APPENDIX 4

EQUITY PLUS LOAN AGREEMENT
AND DISCLOSURE

CP 209-217



WaMu Equity Plus™ AGREEMENT AND DISCLOSURE

Date 01/25/2007
Loan Number 0749632881

This WaMu Equity Plus™ (TM) Agreement and Disclosure (Agreement) governs your home equity line of credit account (the "Credit Line") issued by Washington Mutual Bank (the Bank) and secured by the property identified below in this Agreement; the words Borrower you and your mean each and all of the persons who sign this Agreement. The words we us and our mean the Bank or any successor or assign. The Effective Disbursement Date means the date on and after which you may begin to receive credit advances (advances) from the Credit Line. The word Card means each credit card that can be used to obtain advances on the Credit Line whether in the form of purchase transactions, cash advances or otherwise. The Maturity Date is the date that is thirty (30) years following the Effective Disbursement Date. Our business days are Mondays through Fridays, but federal legal public holidays are excluded. You and we agree as follows:

1. Promise to Pay. You promise to pay to us or our order all advances from the Credit Line plus all FINANCE CHARGES (fees, charges, expenses and other amounts required by the terms of this Agreement. All amounts outstanding under the Credit Line that are covered by the Fixed Rate Loan Option described in Section 24 below are sometimes referred to in this Agreement as Fixed Rate Loans. All other amounts outstanding under the Credit Line are sometimes referred to in this Agreement as Variable Rate Advances. Unless otherwise provided in this Agreement, any amounts charged to the Credit Line shall be treated as Variable Rate Advances. If there is more than one of you, each is jointly and severally liable under this Agreement. Each Borrower alone may cancel the Credit Line, receive advances from the Credit Line and, except as stated below, take all actions with respect to the Credit Line. Each of you requests that we issue each Borrower a Card.

Your use of the Card at Automated Teller Machines (ATMs) is subject to our rules relating to ATM transactions.

2. Credit Limit. This Agreement covers a revolving line of credit in the amount of 6193 000 00 (the "Credit Limit"). During the Draw Period described below, you may obtain advances from the Credit Line up to the Credit Limit, repay any portion of the amounts advanced and obtain additional advances up to the Credit Limit. If there is more than one of you, each of you alone has the right to borrow up to the full amount of the Credit Limit and each of you is liable for all advances made to any of you. You agree not to request or obtain an advance that will make the Credit Line balance exceed the Credit Limit. We may, at our Option, make advances in excess of the Credit Limit. At our request, you will immediately repay the amount by which the balance of the Credit Line exceeds the Credit Limit.

3. Security Instrument. To secure the performance of your obligations under this Agreement, one or more of you is giving us a deed of trust, deed to secure debt, mortgage or other security agreement (the Security Instrument) on real property located at 8719 CUSTER RD SW LAKEWOOD WA 98499 2103

and other property described therein (the Property). If the title to the Property is held by a trust, references in this Agreement to you and your shall include with respect to the Property and as applicable, a person who is signing the Security Instrument as a trustee of the trust. The Security Instrument secures all advances and other amounts owed under this Agreement as well as after acquired property located on or attached to the Property. You agree to perform all of your obligations under the Security Instrument. Regardless of the terms of any other security instrument that you have with us, no personal or real property other than the Property secures your obligations under this Agreement.

The Security Instrument contains the following provisions relating to certain sales and transfers of the Property: The Loan is personal to Grantor and the entire Debt shall become immediately due and payable in full upon sale or other transfer of the Property or any interest therein by Grantor by contract of sale or otherwise including, without limit, any further encumbrance of the Property.

You will perform on a timely basis all payment and other obligations under the terms of any other deed of trust, mortgage, deed to secure debt or other security agreements or leases on the Property, as well as under any note or other obligation the performance of which is secured by the same.

4. Draw Period and Post Draw Period Payments. You may obtain advances from the Credit Line for up to ten (10) years after the Effective Disbursement Date (the Draw Period). At our option, we may extend the Draw Period for up to two (2) additional periods of ten (10) years each. The period of time if any between the end of the Draw Period and the Maturity Date is the Post Draw Period. If the Draw Period is for ten (10) years, the Post Draw Period will be for twenty (20) years; if the Draw Period is for twenty (20) years, the Post Draw Period will be for ten (10) years; if the Draw Period is for thirty (30) years, there will not be a Post Draw Period. During the Post Draw Period, if any, you will no longer be able to obtain advances from the Credit Line.

Payments for both Variable Rate Advances and any Fixed Rate Loans are due monthly. The payment due date (the Payment Due Date) may be different for Variable Rate Advances and Fixed Rate Loans and each Fixed Rate Loan may have its own Payment Due Date. The Payment Due Date will be stated in your periodic billing statement (the Periodic Statement) or, if applicable, on any payment coupons that we provide you.

For Variable Rate Advances, your minimum monthly payment (Minimum Payment) during both the Draw Period and any Post Draw Period will be equal to all accrued and unpaid FINANCE CHARGES (late fees and other fees and charges described below plus any past due amounts and any outstanding balance of your Credit Line in excess of your Credit Limit. Paying the Minimum Payments will not repay the principal that is outstanding on the Credit Line. You will be required to pay the entire outstanding balance of the Variable Rate Advances (together with all accrued and unpaid FINANCE CHARGES relating to the Variable Rate Advances and all other related amounts that you owe under this Agreement) in a single Balloon Payment on the Maturity Date. We are not obligated to refinance any amount due on the Maturity Date. Your payments for any Fixed Rate Loans are described in Section 24 below.

For both Variable Rate Advances and Fixed Rate Loans, the following shall apply to payments: Payments must be made in U.S. Dollars. All payments shall be mailed, postage prepaid to the address that appears on your Periodic Statement (or, if applicable, on any payment coupons that we provide you) for receipt of payments. Any payments that are not received on a business day or that are received after 5:00 p.m. (prevaling Pacific Time) on a business day, will be treated as having been received on the next following business day. We can accept and apply any late or partial payments, or payments marked "Payment in Full" or similar statement or with a request to apply a payment in a particular manner, to amounts you owe as set forth in this Agreement, without liability on our part and without losing any of our rights under this Agreement. You will not make payments from funds obtained from the Credit Line or any other line of credit from the Bank or any of its affiliates.

You will be required to send us one payment for the Variable Rate Advances and an additional separate payment for each Fixed Rate Loan. Each payment will first be applied to accrued and unpaid periodic FINANCE CHARGES, then to any principal due, then to other FINANCE CHARGES, then to other fees and charges, and then to the unpaid principal balance. If you make a payment but do not specify where it should be applied, we will apply the payment in our discretion to outstanding Fixed Rate Loans and/or Variable Rate Advances.

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5 Periodic FINANCE CHARGE Daily Periodic Rate ANNUAL PERCENTAGE RATE The date on which periodic FINANCE CHARGES begin to accrue will depend upon the type of advance you obtain from the Credit Line. Periodic FINANCE CHARGES will begin to accrue from the date that we initiate a wire transfer; the date that you request an advance from one of our Financial Centers; the effective date of a Card transaction; the effective date of your withdrawal of funds from an ATM; the date that a Check (as defined below) is processed by us; the date of any increase to the balance of the Variable Rate Advances in accordance with section 14(c) section 24(k)(iii) or section 24(l)(iii) below; the date that we prepare a check to fund a Fixed Rate Loan on the Effective Disbursement Date or thereafter on the effective date of the conversion of all or any portion of the Variable Rate Advances and/or one or more existing Fixed Rate Loans into a new Fixed Rate Loan and for any other types of advances the date the advance is made. Periodic FINANCE CHARGES will continue to accrue until all amounts subject to the periodic FINANCE CHARGE are paid in full. There is no free ride period that would allow you to avoid paying a periodic FINANCE CHARGE on advances from the Credit Line.

During both the Draw Period and any Post Draw Period, the periodic FINANCE CHARGE on the Variable Rate Advances for each billing period is a function of the Daily Periodic Rate (as described below) shown on your Periodic Statement; the Average Daily Balance (as described below) shown on your Periodic Statement; and the number of days in the billing period, as follows:

(a) The Daily Balance of your Variable Rate Advances for each day of the billing period will be all Variable Rate Advances due at the beginning of that day plus all new Variable Rate Advances (including, without limitation, any increase to the balance of the Variable Rate Advances in accordance with Section 14(c) section 24(k)(iii) or section 24(l)(iii) below) less all payments and credits relating to Variable Rate Advances received that day. Nothing in this Section 5 authorizes you to obtain advances from the Credit Line during the Post Draw Period.

(b) The Average Daily Balance is the sum of the Daily Balances of all days in the billing period divided by the number of days in the billing period.

(c) The ANNUAL PERCENTAGE RATE and Daily Periodic Rate may vary. Except as stated below, the ANNUAL PERCENTAGE RATE will be equal to the sum of the Index (as described below) plus a margin of 0.350 percentage points (the Margin) and the Daily Periodic Rate will be equal to the ANNUAL PERCENTAGE RATE divided by 365 (366 in a leap year). The amount of the Margin stated above will be affected by how you decide to make payments on the Variable Rate Advances. You may decide whether to make payments on your Variable Rate Advances by making direct payments to us or by authorizing automatic loan payments from an account that you designate (which is our Auto Pay service). Your decision whether or not to authorize our Auto Pay service will not affect the availability of the Variable Rate Advances. If you authorize our Auto Pay service for the Variable Rate Advances, the Margin stated above will be discounted (that is, it will be reduced) by either 0.250 % if the account you designate to make the Auto Pay payments is maintained with WASHINGTON MUTUAL BANK or 0.000 % if that account is maintained with an institution other than WASHINGTON MUTUAL BANK. If you do not authorize our Auto Pay service initially but subsequently do so, the discount will be put into effect as of a date that we selected. If you have not authorized our Auto Pay service, the initial Daily Periodic Rate that is in effect for the Variable Rate Advances is 0.023562 % (ANNUAL PERCENTAGE RATE of 8.800 %). If you have authorized our Auto Pay service and the account you designate to make the Auto Pay payments is maintained with WASHINGTON MUTUAL BANK, the initial Daily Periodic Rate that is in effect for the Variable Rate Advances is 0.022877 % (ANNUAL PERCENTAGE RATE of 8.350 %). If you have authorized our Auto Pay service and the account you designate to make the Auto Pay payments is maintained with an institution other than WASHINGTON MUTUAL BANK, the initial Daily Periodic Rate that is in effect for the Variable Rate Advances is 0.023562 % (ANNUAL PERCENTAGE RATE of 8.800 %).

Except as otherwise provided in this Section 5(c), the ANNUAL PERCENTAGE RATE and Daily Periodic Rate will change beginning on the day following the Effective Disbursement Date on each day that the Index changes. The Daily Periodic Rate will never be more than 0.049315 % (corresponding to a maximum ANNUAL PERCENTAGE RATE of 18.000 %) and the Daily Periodic Rate will never be less than 0.000000 % (corresponding to a minimum ANNUAL PERCENTAGE RATE of 0.000 %). Increases in the Daily Periodic Rate and ANNUAL PERCENTAGE RATE will increase your Minimum Payment and periodic FINANCE CHARGES and, if these rates are increased in the last billing period prior to the Maturity Date, then your Balloon Payment due on the Maturity Date will also increase.

Promotional Rates If this box is checked, then the initial Daily Periodic Rate will not be determined as described above in this Section 5(c) but instead will be N/A % (ANNUAL PERCENTAGE RATE of N/A %). These are called Promotional Rates. However, if you receive Promotional Rates, you authorize our Auto Pay service for the Variable Rate Advances and the account you designate to make the Auto Pay payments is maintained with WASHINGTON MUTUAL BANK, then the initial Daily Periodic Rate will be N/A % (ANNUAL PERCENTAGE RATE of N/A %). If you receive Promotional Rates, you authorize our Auto Pay service for the Variable Rate Advances and the account you designate to make the Auto Pay payments is maintained with a financial institution other than WASHINGTON MUTUAL BANK, then the initial Daily Periodic Rate will be N/A % (ANNUAL PERCENTAGE RATE of N/A %). If you did not authorize our Auto Pay service initially but subsequently do so, the discount will be put into effect as of a date that we select. If you receive Promotional Rates, the Daily Periodic Rate and ANNUAL PERCENTAGE RATE will change as described above in this Section 5(c) beginning on N/A.

If you have authorized our Auto Pay service for the Variable Rate Advances and thereafter the Auto Pay service for the Variable Rate Advances is terminated by you or us for any reason, the discount that you have received on the Margin for the Variable Rate Advances will be eliminated. Specifically, the Margin will increase on the day that the Auto Pay service is terminated by 0.250 % if the account designated to make the Auto Pay payments is maintained with WASHINGTON MUTUAL BANK or 0.000 % if that account is maintained with any other institution. If the account designated to make Auto Pay payments is changed from an account maintained at WASHINGTON MUTUAL BANK to an account maintained at any other institution, the discount that you have received on the Margin for the Variable Rate Advances will be reduced. Specifically, the Margin will increase by 0.250 % on the day the account designated to make Auto Pay payments is changed to an account maintained at another institution. In any such event, the increase in the Margin will result in a simultaneous increase in the ANNUAL PERCENTAGE RATE (subject to any further increases or decreases that result from a change in the Index) for the Variable Rate Advances by the same amount, i.e., by 0.250 % or 0.000 % as applicable, and the Daily Periodic Rate for the Variable Rate Advances will also be simultaneously changed to an amount that is equal to the new ANNUAL PERCENTAGE RATE divided by 365 (366 in a leap year).

If you are receiving Promotional Rates and you have authorized our Auto Pay service for the Variable Rate Advances and thereafter the Auto Pay service for the Variable Rate Advances is terminated by you or us for any reason, the Daily Periodic Rate will increase on the day of the termination to N/A % (ANNUAL PERCENTAGE RATE of N/A %) if the account designated to make the Auto Pay payments is maintained with WASHINGTON MUTUAL BANK, and the Daily Periodic Rate will increase on the day of the termination to N/A % (ANNUAL PERCENTAGE RATE of N/A %) if that account is maintained with any other financial institution. If the account designated to make Auto Pay payments is changed from an account maintained at WASHINGTON MUTUAL BANK to an account maintained at any other institution, the Daily Periodic Rate will increase on the day of the change to N/A % (ANNUAL PERCENTAGE RATE of N/A %). Following the Promotional Rates period, the higher Margin, Daily Periodic Rate and ANNUAL PERCENTAGE RATE described above will apply.

Following any termination of our Auto Pay service, the increased Daily Periodic Rate and ANNUAL PERCENTAGE RATE will not be greater than the maximum Daily Periodic Rate and ANNUAL PERCENTAGE RATE stated above. Increases in the Daily Periodic

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Rate and ANNUAL PERCENTAGE RATE will increase your Minimum Payment and periodic FINANCE CHARGES and if these rates are increased in the last billing period prior to the Maturity Date then your Balloon Payment due on the Maturity Date will also increase.

(d) The Index is the Prime Rate as most recently published by *The Wall Street Journal* in its Money Rates table. If more than one Prime Rate is identified in this table, the Index shall be the highest of such rates. If the Index or any substitute Index is no longer available, we will choose a new Index. The new Index will have a historical movement substantially similar to that of the prior Index and the Margin will be changed so that the new Index plus the Margin will result in an ANNUAL PERCENTAGE RATE that is substantially similar to the ANNUAL PERCENTAGE RATE in effect at the time the prior Index becomes unavailable (plus any increase in the Margin that results from any termination of the Auto Pay service or any change in the account designated to make Auto Pay payments as described in Section 5(c)).

(e) The Daily Periodic Rate may change within a single billing period. If only one Daily Periodic Rate is in effect during the billing period, the periodic FINANCE CHARGE for the billing period will be equal to the Average Daily Balance multiplied by the applicable Daily Periodic Rate and then multiplying that amount by the number of days in the billing period. If there is more than one Daily Periodic Rate within a billing period, the periodic FINANCE CHARGE for the billing period will be calculated by (i) calculating a periodic FINANCE CHARGE for each Daily Periodic Rate by first multiplying that Daily Periodic Rate by the Average Daily Balance and by then multiplying that amount by the number of days that such Daily Periodic Rate is in effect during the billing period, and (ii) by then adding together the periodic FINANCE CHARGES that are so determined for each such Daily Periodic Rate.

The ANNUAL PERCENTAGE RATE for both the Variable Rate Advances and the Fixed Rate Loans do not include costs other than interest. The periodic FINANCE CHARGE and ANNUAL PERCENTAGE RATE for the Fixed Rate Loans are described in Section 24.

6 Variable Rate Advances. Provided you are not in default and your right to obtain advances has not been terminated, suspended or cancelled, you may obtain Variable Rate Advances during the Draw Period on and after the Effective Disbursement Date. The Effective Disbursement Date shall be a date that we specify which shall follow the expiration of any rescission period required by applicable law, our acceptance of this Agreement and your meeting of all conditions for the Credit Line. All advances other than by Card transactions outside the United States shall be in U.S. Currency. You may obtain Variable Rate Advances as follows:

(a) Writing a preprinted check (Check) that we supply to you for use with your Credit Line. The signature of only one Borrower is required for each Check.

(b) Using the Card to effect purchases, obtain cash advances at authorized ATMs (using the separate Personal Identification Number (PIN) that we will supply to each of you), obtain cash advances at other locations or otherwise obtain advances.

(c) Requesting an advance in person at any of our financial Centers. You will need to provide acceptable identification to obtain an advance.

(d) A wire transfer of funds to an account that you designate. Wire transfers are subject to our rules governing wire transfer transactions.

You authorize us to make available additional means of obtaining advances. Those advances will also be subject to this Agreement.

In addition, the balance of the Variable Rate Advances may be increased in accordance with Section 14(d), section 24(k)(iii) or section 24(l)(iii) below.

7 Minimum Advances and Other Limitations. Each Variable Rate Advance other than a purchase transaction with a Card must be not less than \$100.00. We may, at our option, make Variable Rate Advances of less than \$100.00. At our option, we may (but reserve the right not to) honor any requests for advances in the following circumstances:

- (a) Your credit privileges have been cancelled, suspended or terminated;
- (b) Your Credit Limit is currently exceeded or would be exceeded if we honored the advance requested;
- (c) Your Check is post dated (written and presented before the date on the item) or stale dated (presented more than six (6) months after the date of the item);
- (d) Your Check bears a restriction or notation;
- (e) Your Checks have been reported lost or stolen or if advances requiring a PIN have been authorized, you have reported that your PIN has been compromised;
- (f) You are in material default of this Agreement or would be so if we honored the advance request;
- (g) We receive conflicting instructions or demands from any of you;
- (h) You have asked us to prepare a payoff demand statement setting forth the amounts required to satisfy your obligations under this Agreement.

You agree to hold us harmless from and indemnify us against any claim or loss the payee or any other endorser or depositing or collecting bank may assert regarding such restrictions, notations or post or stale dated items. You further agree to indemnify and hold us harmless for any claim or loss relating to honoring or refusing to honor any instructions or demands which we believe may be conflicting.

Our liability, if any, for wrongful dishonor of an advance request is limited to your actual damages, shall not include consequential damages and in no event will exceed the amount of the advance request.

Checks may be processed mechanically based on information encoded on the item. Checks not meeting our format and encoding specifications may not be honored. The signature on each Check should match the signature on file with us; however, we may not verify the signature if the item is processed mechanically. Subject to applicable law, we will only pay Checks that are presented to us by another financial institution. We do not certify Checks drawn on your Credit Line.

8 Illegal Transactions. You will not use any advance, the Card, a Check or other access device to engage in any Internet gambling or illegal transaction (including, without limitation, illegal gambling). We are not responsible for preventing you from doing so.

9 Periodic Statement. As required by law, we will send you a Periodic Statement showing all new transactions since the prior Periodic Statement closing date and other information relating to the Credit Line. The Periodic Statements may be sent on other than a calendar month basis. We reserve the right to change the Periodic Statement closing date. We may choose not to return Checks along with your Periodic Statement.

10 FINANCE CHARGES and Other Fees and Charges at Closing. You agree to pay the following FINANCE CHARGES and other fees and charges, which will be charged to your Credit Line on the Effective Disbursement Date unless paid to us on or before that date. Periodic FINANCE CHARGES will begin to accrue immediately on those amounts if charged to your Credit Line.

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FINANCE CHARGES
Flood Determination Fee

45 00

OTHER FEES AND CHARGES ("Closing Costs")

Corologic Avn Fee \$8 00
Property Verification Report \$55 00
Recording Services/Recording Fee \$40 00

11 Additional FINANCE CHARGES You agree to pay the following additional FINANCE CHARGES

- (a) **Cash Advance Fee** A cash advance fee FINANCE CHARGE of 2.00% of each cash advance obtained on the Card or \$2.00 whichever is greater
- (b) **Fee for Small Variable Rate Advance** If at our sole option we elect to honor a request for a Variable Rate Advance of less than \$100.00 a transaction FINANCE CHARGE of 4.00% of the amount of the advance. This FINANCE CHARGE will not be imposed for Card transactions
- (c) **Fee for Lien Subordination** If at our sole option we agree to subordinate the lien of the Security Instrument a transaction FINANCE CHARGE of \$50.00 ~~\$250.00~~
- (d) **Wire Transfer Fee** A wire transfer FINANCE CHARGE of \$20.00 for each advance that you initiate by a wire transfer
- (e) **Courier Service Fee** A courier service FINANCE CHARGE of \$30.00 for each transmittal of documents that you request which we send by a delivery service

12 Additional Other Fees and Charges You agree to pay the following additional other fees and charges

- (a) **Annual Fee** An annual fee of \$0.00 ("Annual Fee"). The Annual Fee will be charged on the first anniversary of the Effective Disbursement Date and on every anniversary thereafter during the Draw Period. The Annual Fee is nonrefundable and will be imposed regardless of the balance and status of the Credit Line
- (b) **Late Fee and Collection Charges** In addition to our other rights upon default, if we do not receive the Minimum Payment on the Variable Rate Advance or any Fixed Rate Loans within fifteen (15) days after the Payment Due Date shown on your Periodic Statement or if applicable on any payment coupon that we provide you, you will be charged a late fee of the greater of \$16.00 or 3.00% of the Minimum Payment. Upon your default under this Agreement, you will pay all of our reasonable costs and collection charges, whether or not there is a lawsuit, including without limit attorneys fees and legal expenses including without limit for bankruptcy or civil proceedings, our efforts to modify or vacate an automatic stay or injunction, appeals, and any anticipated post-judgment collection services, and whether or not such are incurred by our employees or third parties
- (c) **Overlimit Fee** An overlimit fee of \$20.00 for each advance from the Credit Line that causes you to exceed your Credit Limit
- (d) **Dishonored Payment Fee** A fee of \$20.00 if you make a payment on your Credit Line (including any payment on a Fixed Rate Loan) with a check, draft, or other item or transfer (including an Auto Pay service transfer) that is dishonored for any reason
- (e) **Stop Payment Fee** A fee of \$20.00 when you request a stop payment on a Check. A stop payment shall be effective for six (6) months for, if applicable, such longer period as provided by law, and must be delivered to us in the manner prescribed by law or by method acceptable to us in our sole discretion and in sufficient time for us to act. If a stop notice expires, you must renew it as set forth above and you will be assessed an additional stop payment fee. There is no right to stop payment on transactions by use of a Card or other means of access other than a Check
- (f) **Cancellation Fee** If you cancel the Credit Line during the first 36 months following the Effective Disbursement Date, you will be charged a cancellation fee as follows:
A cancellation fee will not apply to this loan. In any event, if you pay off early, you will not be entitled to a refund of the loan fee (if any) or any other finance charges already paid

- (g) **Foreign Currency Transactions** If you use the Card to make a purchase or obtain an advance in a foreign currency (the transaction currency), it will be converted by Visa International or MasterCard International (depending on which Card we issue from time to time) into U.S. Dollars (the billing currency). Visa International or MasterCard International, as applicable, will use the procedures set forth in its operating regulations or conversion procedures in effect at the time the transaction is processed. Currently, the Visa International operating regulations state that the exchange rate between the transaction currency and the billing currency is: (i) a rate selected by Visa from the range of rates available in wholesale currency markets for the applicable central processing date, which rate may vary from the rate Visa itself receives or (ii) the government mandated rate in effect for the applicable central processing date in each instance, plus or minus an adjustment determined by the card issuer. The exchange rate for the applicable central processing date may differ from the rate in effect on the transaction date or the posting date. Currently, the MasterCard International conversion procedures state that the exchange rate between the transaction currency and the billing currency is either a wholesale market rate or a government mandated rate as of a date selected by MasterCard International in each instance, plus or minus an adjustment determined by the card issuer. The exchange rate used by MasterCard International may differ from the rate in effect on the transaction date or the posting date. Regardless of which Card is used, the exchange rate used may be the same as, greater than, or less than the rate that would be available through a financial institution in the country in which the purchase or advance occurred. We do not determine the exchange rate that is used and we do not add or subtract any adjustment to the exchange rate
- (h) **Reject Fee** A reject fee of \$20.00 if a Check or other advance request (other than for a Card transaction) is not honored for any reason
- (i) **Copy and Research Fees** A copy fee of \$1.00 per item and research fees of \$10.00 per hour will be assessed if you request copies of Checks or other research relating to your Credit Line
- (j) **Release Fee** A fee of \$85.00 in connection with the release, discharge or reconveyance of the Security Instrument
- (k) **Other Institution Fees** Fees imposed by other institutions if you use the Card to obtain cash advances through their ATMs

13 Loss or Theft Notify us if any unauthorized use of your Credit Line has occurred or may occur as a result of loss or theft of one or more of your Checks, Cards or other access device or if you believe someone else knows your PIN. The best way to notify us is by calling us. Call us at 800 556 6670 (for TDD call 800 738 2922) or if a different telephone number is stated in the Periodic Statement, call that number. You may also write us at the address stated in Section 19 below. You agree to reasonably assist us in determining the facts and circumstances relating to any unauthorized use of your Credit Line

14 Termination and Acceleration, Suspension of Advances and Reduction of Credit Limit, Other Remedies

- (a) We may terminate your Credit Line and require you to pay us the entire outstanding balance of the Credit Line (including the outstanding balance of any Fixed Rate Loans), together with all other fees, charges and amounts owing under this Agreement or the Security Instrument in one payment if any of the following happen:
 - (i) You commit fraud or make a material misrepresentation at any time in connection with the Credit Line. This can include, for example, a false statement about your income, assets, liabilities or any other aspect of your financial condition
 - (ii) You do not meet any of the repayment terms of this Agreement

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(iii) Your action or inaction adversely affects the Property or our rights in the Property. This can include, for example, failure to maintain required insurance or pay taxes on the Property, waste or destructive use of the Property which impairs our security, death of the last Borrower, death of all but one Borrower which impairs our security, transfer of title or sale of the Property without our permission, permitting the creation of a senior lien on the Property, foreclosure by the holder of a prior lien on the Property or use of the Property for an illegal purpose that subjects the Property to seizure.

If we terminate the Credit Line, no additional advances will be made and the entire outstanding balance of the Credit Line (including the outstanding balance of any Fixed Rate Loans) will be immediately due and payable without prior notice, except as may be required by law, and you agree to pay immediately such amount plus any other amounts due under this Agreement.

Failure to meet the repayment terms of any portion of the Credit Line, such as for Fixed Rate Loans or for Variable Rate Advances, will be considered failure to meet the repayment terms of the entire Credit Line, and this will give us the right to demand the immediate repayment of the entire outstanding balance of the Credit Line and to exercise any of our other rights under this Agreement. Likewise, payment of only a portion of the amount required under the repayment terms of this Agreement will not satisfy your repayment obligations for the entire Agreement. If a partial payment is made, we reserve the right to accept the payment and apply it to the outstanding balance of the Credit Line in accordance with Section 4, without waiving our right to demand immediate payment of the entire outstanding balance of the Credit Line or to exercise any of our other rights under this Agreement.

(b) In addition to any other rights we may have, we can suspend additional advances (including any Fixed Rate Loans) or reduce your Credit Limit during any period in which any of the following are in effect:

(i) The value of the Property declines significantly below the value as determined by us at the time you applied for your Credit Line. This includes, for example, a decline such that the difference between the Credit Limit and the available equity is reduced by fifty percent (50.00%) and may include a smaller decline depending on individual circumstances.

(ii) We reasonably believe that you will be unable to fulfill your payment obligations under this Agreement due to a material adverse change in your financial circumstances.

(iii) You are in default of a material obligation of this Agreement. We consider all of your obligations to be material. Categories of material obligations include, for example, the events described above, permitting us to terminate obligations and limitations relating to your receipt of advances, obligations concerning maintenance or use of the Property, obligations to perform the terms of the Security Instrument or any other deed of trust, mortgage deed to secure debt or other security agreement or lease on the Property (and to perform on any noted or other obligations secured by the same), obligations to notify us and to provide documents and information to us (such as updated financial information) and obligations to comply with applicable law (such as zoning restrictions).

(iv) We are precluded by government action from imposing the ANNUAL PERCENTAGE RATE provided for under this Agreement.

(v) The priority of our security interest in the Property is adversely affected by government action to the extent that the value of the security interest is less than 120.00% of the Credit Limit.

(vi) We have been notified by a government authority that continued advances may constitute an unsafe and unsound business practice.

(vii) If the maximum ANNUAL PERCENTAGE RATE stated in Section 5(c) above has been reached.

Regardless of any action that we take, all other terms of this Agreement will remain in effect and be binding upon you.

(c) If at any time we have the right to terminate your Credit Line under Section 14(a) above, we may, at our sole option and without prior notice to you, then or thereafter, convert any or all of your Fixed Rate Loans (including both the unpaid principal balance of the Fixed Rate Loans plus all accrued and unpaid FINANCE CHARGES) to the balance of your Variable Rate Advances, which will then accrue FINANCE CHARGES in accordance with Section 5 above and be subject to all other provisions of this Agreement relating to Variable Rate Advances. No exercise of this right to convert and nothing in this Section 14(c) shall constitute an election of remedies or a waiver of any of our rights under the remaining provisions of this Section 14, the remainder of this Agreement, the Security Instrument or at law or in equity.

(d) Any Borrower may cancel the Credit Line or suspend the right to obtain advances by sending a written notice of cancellation or suspension to the address stated in Section 19 below. The notice must identify the account number of the Credit Line and be signed by at least one Borrower. The notice will be effective when it has been received and accepted by us. If the right to obtain advances is suspended at the request of a Borrower, advances will be reinstated only following our receipt and approval of a written request for reinstatement that has been signed by each of you.

(e) If the Credit Line is cancelled, suspended or terminated, you agree not to attempt to write or deliver any Checks, use a Card or any other access device or otherwise obtain advances. You will return all Cards and unused Checks to us. You remain liable for any use of Checks, Cards or other access devices and any advances taken even after any cancellation by you or us, termination or suspension. If your Credit Line is cancelled or terminated, subject to applicable law, we may delay the cancellation or release of the Security Instrument for a reasonable period of time to enable us to post to your Credit Line any advances that you have received.

Our rights under this Agreement shall be in addition to any other rights we may have under the Security Instrument or at law or in equity.

15 Delay in Enforcement/Corrections. To the extent permitted by law, we may delay or waive the enforcement of any of our rights under this Agreement without losing that right or any other right, and if we delay or waive any of our rights, we may enforce that right at any time in the future without advance notice. We may correct any inaccuracies that we find in the Credit Line.

16 Presentment. You waive any statutes of limitations and any legal requirements of presentment, demand, protest, notice of dishonor and notice of protest of this Agreement.

17 Credit Information. You will provide us with a current financial statement, a new credit application, or both, at any time upon our request. We may obtain credit reports on you at any time for the purpose of reviewing or collecting your Credit Line. You authorize us to release information to others (such as credit bureaus, merchants, other financial institutions and any of our affiliate companies) about our transactions or experiences with you. **WE MAY REPORT INFORMATION ABOUT YOUR ACCOUNT TO CREDIT BUREAUS. LATE PAYMENTS, MISSED PAYMENTS, OR OTHER DEFAULTS ON YOUR ACCOUNT MAY BE REFLECTED IN YOUR CREDIT REPORT.**

18 Transfer and Assignment. Without prior notice to or approval from you, we reserve the right to sell or transfer this Agreement, the Credit Line and our obligations under this Agreement to any other person. Your rights under this Agreement belong to you only and may not be transferred, assumed or assigned. Your obligations, however, are binding upon you and your legal representatives.

19 Notices. Except as otherwise provided in this Agreement, notices must be in writing. Notice to any of you shall be deemed notice to all of you. Notices shall be deemed given when deposited in the U.S. Mail, postage prepaid, first class mail, or when delivered in person, or sent by registered or certified mail, or by nationally recognized overnight carrier. Notice to you shall be

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sent to your last known address in our records for the Credit Line. Notice to us must be sent to

WASHINGTON MUTUAL BANK
CONSUMER LENDING BR2CLFL
PO BOX 6888
LAKE WORTH FL 33466

or if a different address is stated in the Periodic Statement to that address. Any party may change its address for receipt of notices by giving notice of the same as set forth herein to the other parties. You agree to notify us immediately if you change your name, address or employment or if any of you dies, is declared incompetent or is the subject of a bankruptcy or insolvency proceeding.

20 Tax Consequences You should consult your own tax advisor regarding the tax deductibility of interest and charges under this Agreement.

21 Amendment In addition to other changes described in this Agreement, we may make changes to the terms of this Agreement if you agree to the change in writing at that time. If the change will unequivocally benefit you throughout the remainder of your Credit Line or if the change is insignificant.

22 Governing Law This Agreement and your Credit Line will be governed by and interpreted in accordance with the laws of the United States of America and to the extent that such laws are not applicable with the internal laws of the State of Washington (without giving effect to any choice of law rule that would cause the application of the laws of any other jurisdiction to the rights and duties of the parties). Interest shall be charged at rates allowed to any class of lender by the laws of the State of Washington.

23 Interpretation The names given to sections or paragraphs in this Agreement are for convenience and shall not be used to interpret this Agreement. This Agreement, the Periodic Statements and if applicable any payment coupons that we provide you are the best evidence of your agreement with us. If any provision of this Agreement, the Periodic Statements or any such payment coupons is found not to be valid or enforceable, such invalidity or unenforceability shall not affect the validity or enforceability of the remainder of such provision or the remaining provisions of that document, which provisions shall continue to be binding, valid and enforceable.

24 Fixed Rate Loan Option You have the option (the Fixed Rate Loan Option) to obtain advances from your Credit Line in the form of Fixed Rate Loans as described in this Section. Except as stated below, the Fixed Rate Loans will be subject to a fixed Daily Periodic Rate and ANNUAL PERCENTAGE RATE and a fixed term. The following shall apply to the Fixed Rate Loan Option:

(a) The Fixed Rate Loan Option may be exercised only during the Draw Period.

(b) You may exercise the Fixed Rate Loan Option to obtain up to two (2) Fixed Rate Loans on the Effective Disbursement Date which, in the aggregate, may be any amount up to the then available portion of the Credit Limit. Thereafter, you may only exercise the Fixed Rate Loan Option by converting all or any portion of (i) the outstanding Variable Rate Advances and/or (ii) one (1) or more existing Fixed Rate Loans into a new Fixed Rate Loan in accordance with our procedures. Following the Effective Disbursement Date, you may not obtain a Fixed Rate Loan by obtaining an advance of new funds from the Credit Line.

(c) Each Fixed Rate Loan may be for any amount, but the aggregate of all Fixed Rate Loans and outstanding Variable Rate Advances may not exceed your available Credit Limit.

(d) The portion of the Credit Limit that is available to you for other advances will be reduced by the amount of each Fixed Rate Loan. Any repayment of the principal amount of a Fixed Rate Loan during the Draw Period will restore the available Credit Limit by an equal amount.

(e) You may exercise a Fixed Rate Loan Option only if no defaults exist under the terms of this Agreement or the Security Instrument, your right to obtain advances has not been terminated, suspended or cancelled and you sign all documents required by us. You may not obtain more than two (2) Fixed Rate Loans in any one (1) calendar year period and may not have more than five (5) Fixed Rate Loans outstanding at any time. You may not have outstanding at any time more than one Fixed Rate Loan that provides for a Special Term and Interest Only Minimum Payment, as described in Section 24(k)(iii) below. Notwithstanding any other provisions of this Section 24, we may convert any or all of your Fixed Rate Loans to the balance of your Variable Rate Advances in accordance with Section 14(c) above.

(f) You will be required to pay a 950.00 transaction fee FINANCE CHARGE for each Fixed Rate Loan that you receive other than for the first Fixed Rate Loan or any Fixed Rate Loan taken on the Effective Disbursement Date. You may pay this fee prior to the making of the Fixed Rate Loan or it will be added to the principal balance of the Fixed Rate Loan.

(g) If you wish to obtain a Fixed Rate Loan after the Effective Disbursement Date, you may initiate the process by visiting any of our Financial Centers or by calling 888 800 8738 toll free (for TDD call 800 735 2922) or if a different telephone number is stated in the Periodic Statement by calling that telephone number.

(h) Except as stated below, the ANNUAL PERCENTAGE RATE that will apply to each Fixed Rate Loan will be equal to the sum of the index that is in effect on the day you exercise the Fixed Rate Loan Option to obtain that Fixed Rate Loan plus a margin of 14.0 percentage points (the FRLO Margin).

The amount of the FRLO Margin stated above will be affected by how you decide to make payments on the Fixed Rate Loan. At the time you exercise the Fixed Rate Loan Option, you may decide whether to make payments on your Fixed Rate Loan by making direct payments or by authorizing our Auto Pay service. Your decision whether or not to authorize our Auto Pay service will not affect the availability of the Fixed Rate Loans. If at the time you exercise the Fixed Rate Loan Option you authorize our Auto Pay service for the Fixed Rate Loan, the FRLO Margin stated above will be decreased by either 0.250 % if the account you designate to make the Auto Pay payments is maintained with WASHINGTON MUTUAL BANK, or 0.125 % if that account is maintained with a financial institution other than WASHINGTON MUTUAL BANK. If you do not authorize our Auto Pay service for a Fixed Rate Loan when you exercise the Fixed Rate Loan Option, but you subsequently do so, the ANNUAL PERCENTAGE RATE for the Fixed Rate Loan will not be decreased.

If the index or any substitute index becomes unavailable, we will choose a new index. The new index will have a historical movement substantially similar to that of the prior index, and the FRLO Margin will be changed so that the new index plus the FRLO Margin will result in an ANNUAL PERCENTAGE RATE that is substantially similar to the ANNUAL PERCENTAGE RATE that would have been in effect at the time the prior index becomes unavailable. The new FRLO Margin will be determined without any discount for the use of our Auto Pay service, but the FRLO Margin will be discounted for subsequent Fixed Rate Loans where Auto Pay is selected, as described in this Section 24(h) above.

The Daily Periodic Rate for the Fixed Rate Loan will be equal to the ANNUAL PERCENTAGE RATE divided by 365 (366 in a leap year). The ANNUAL PERCENTAGE RATE for the Fixed Rate Loan will not be greater than the maximum ANNUAL PERCENTAGE RATE stated in Section 5(c) above. The periodic FINANCE CHARGE that will apply to the Fixed Rate Loan for each billing period will be accrued and calculated daily based upon the outstanding principal balance of the Fixed Rate Loan each day. The outstanding principal balance of the Fixed Rate Loan for each day of the billing period is calculated by starting with the beginning principal balance that day and then subtracting any payments or credits relating to the Fixed Rate Loan received that day. The periodic FINANCE CHARGE that will apply to the Fixed Rate Loan for each billing period will be determined by first multiplying the applicable Daily Periodic Rate by the outstanding principal balance of the Fixed Rate Loan for each day of the billing period and then adding together the resulting amounts. If more than one Daily Periodic Rate is applicable to a Fixed Rate Loan in the same billing period then, for purposes of the preceding sentence, each Daily Periodic Rate will be multiplied by the outstanding

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principal balance of the Fixed Rate Loan for each day of the billing period that the Daily Periodic Rate is in effect. As of 01/25/2007, if you have not authorized our Auto Pay service, the Daily Periodic Rate that would be in effect for the Fixed Rate Loan is 0.049315% (ANNUAL PERCENTAGE RATE of 18.0%). As of 01/20/2007, if you have authorized our Auto Pay service and the account you designate to make the Auto Pay payments is maintained with WASHINGTON MUTUAL BANK, the Daily Periodic Rate that would be in effect for the Fixed Rate Loan is 0.049315% (ANNUAL PERCENTAGE RATE of 18.0%). As of 01/25/2007, if you have authorized our Auto Pay service and the account you designate to make the Auto Pay payments is maintained with an institution other than WASHINGTON MUTUAL BANK, the Daily Periodic Rate that would be in effect for the Fixed Rate Loan is 0.049315% (ANNUAL PERCENTAGE RATE of 18.0%). You will be deemed to exercise a Fixed Rate Loan Option when you sign the required documentation at the time that you sign this Agreement or thereafter at one of our Financial Centers or when you call the toll free telephone number described in Section 24(g) above and provide us with all required information.

(i) We may at our sole discretion and without prior notice provide a Fixed Rate Loan at a discounted ANNUAL PERCENTAGE RATE (a Current Rate) that is an ANNUAL PERCENTAGE RATE that is lower than the sum of the Index plus the FRLO Margin as set forth above. If we do so, the Daily Periodic Rate will be equal to the Current Rate divided by 365 (366 in a leap year). If at the time you exercise the Fixed Rate Loan Option, we provide you with a Current Rate and you authorize our Auto Pay service on the Fixed Rate Loan, the Current Rate will be reduced by either 0.250% if the account you designate to make the Auto Pay payments is maintained with WASHINGTON MUTUAL BANK, or 0.125% if that account is maintained with an institution other than WASHINGTON MUTUAL BANK. If you do not authorize our Auto Pay service for a Fixed Rate Loan at a Current Rate when you exercise the Fixed Rate Loan Option, but you subsequently do so, the ANNUAL PERCENTAGE RATE for the Fixed Rate Loan will not be decreased. If we provide a Fixed Rate Loan at a Current Rate, we are not obligated to offer a Current Rate on any subsequent Fixed Rate Loans.

(j) If you authorized our Auto Pay service for the Fixed Rate Loan at the time you exercised the Fixed Rate Loan Option and thereafter the Auto Pay service for the Fixed Rate Loan is terminated by you or us for any reason, the ANNUAL PERCENTAGE RATE for the Fixed Rate Loan will increase on the day that the Auto Pay service is terminated by 0.250% if the account designated to make the Auto Pay payments is maintained with WASHINGTON MUTUAL BANK, or 0.125% if that account is maintained with any other financial institution. If the account designated to make Auto Pay payments is changed from an account maintained at WASHINGTON MUTUAL BANK to an account maintained at any other institution, the ANNUAL PERCENTAGE RATE for the Fixed Rate Loan will increase on that date by 0.125%. In any such event, the Daily Periodic Rate for the Fixed Rate Loan will be simultaneously increased to an amount that is equal to the increased ANNUAL PERCENTAGE RATE divided by 365 (366 in a leap year). In no event will the increased ANNUAL PERCENTAGE RATE be greater than the maximum ANNUAL PERCENTAGE RATE stated in Section 5(c) above.

(k) You have the following choices regarding the term and Minimum Payment for a Fixed Rate Loan:

(i) **Standard Term and Fully Amortizing Minimum Payment.** With this choice, you may determine the term of each Fixed Rate Loan at the time you exercise the Fixed Rate Loan Option. The term of each Fixed Rate Loan shall be in increments of one (1) year. If the Fixed Rate Loan is up to \$19,999.99 in amount, the term of the Fixed Rate Loan may be up to 120 months or until the Maturity Date, whichever is earlier. If the Fixed Rate Loan is for \$20,000.00 or more in amount and your Credit Line is classified by us as a first lien product (a first lien product), the term of the Fixed Rate Loan may be up to 360 months or until the Maturity Date, whichever is earlier. If the Fixed Rate Loan is for \$20,000.00 or more in amount and your Credit Line is classified by us as something other than a first lien product (a non first lien product), the term of the Fixed Rate Loan may be up to 240 months or until the Maturity Date, whichever is earlier. Your Minimum Payment for the Fixed Rate Loan is the amount sufficient to repay the original principal balance of the Fixed Rate Loan together with periodic FINANCE CHARGES at the applicable ANNUAL PERCENTAGE RATE in full in substantially equal monthly installments during the scheduled term of the Fixed Rate Loan. The entire outstanding principal balance of the Fixed Rate Loan together with all accrued and unpaid FINANCE CHARGES, if not sooner paid, will be due and payable in full in a single payment on the last day of the scheduled term of the Fixed Rate Loan. We are not obligated to refinance this amount.

(ii) **Standard Term and Partially Amortizing Minimum Payment.** With this choice, you may determine the term of each Fixed Rate Loan at the time you exercise the Fixed Rate Loan Option. The term of each Fixed Rate Loan shall be in increments of one (1) year. If the Fixed Rate Loan is up to \$19,999.99 in amount, the term of the Fixed Rate Loan may be up to 120 months or until the Maturity Date, whichever is earlier. If the Fixed Rate Loan is for \$20,000.00 or more in amount and your Credit Line is a first lien product, the term of the Fixed Rate Loan may be up to 360 months or until the Maturity Date, whichever is earlier. If the Fixed Rate Loan is for \$20,000.00 or more in amount and your Credit Line is a non first lien product, the term of the Fixed Rate Loan may be up to 240 months or until the Maturity Date, whichever is earlier. Your Minimum Payment will be equal to the amount sufficient to repay the original principal balance of the Fixed Rate Loan together with periodic FINANCE CHARGES at the applicable ANNUAL PERCENTAGE RATE in full in substantially equal monthly installments during an amortization term (the Amortization Term) that you will select before you obtain the Fixed Rate Loan. The Amortization Term must be for a period longer than the Maturity Date but not longer than (i) 120 months if the Fixed Rate Loan is up to \$19,999.99 in amount, (ii) 360 months if the Fixed Rate Loan is for \$20,000.00 or more in amount and your Credit Line is a first lien product, or (iii) 240 months if the Fixed Rate Loan is for \$20,000.00 or more in amount and your Credit Line is a non first lien product. Each Amortization Term must be in increments of one year. In addition, you will be required to pay the entire outstanding principal balance of the Fixed Rate Loan together with all accrued and unpaid FINANCE CHARGES in a single Balloon Payment on the Maturity Date. We are not obligated to refinance this Balloon Payment.

(iii) **Special Term and Interest Only Minimum Payment.** With this choice, you may select a term of 3, 5, 7 or 10 years for the Fixed Rate Loan at the time you exercise the Fixed Rate Loan Option. No other term is permitted for the Fixed Rate Loan. The term selected must not conclude on or extend beyond the Maturity Date. Your Minimum Payment will be equal to all of the unpaid periodic FINANCE CHARGES that have accrued on the outstanding principal balance of the Fixed Rate Loan at the applicable ANNUAL PERCENTAGE RATE. Your Minimum Payments will not repay any of the unpaid principal balance of the Fixed Rate Loan. At the conclusion of the term of the Fixed Rate Loan, the entire outstanding principal balance of the Fixed Rate Loan together with all accrued and unpaid FINANCE CHARGES and all other fees and charges relating to the Fixed Rate Loan automatically will be transferred to the balance of your Variable Rate Advances, which will then accrue FINANCE CHARGES in accordance with Section 5 above and be subject to all other provisions of this Agreement relating to Variable Rate Advances. If you choose to pay only the Minimum Payments, then (A) the payments on your Variable Rate Advances may increase substantially following the conclusion of the term of the Fixed Rate Loan, and (B) the Balloon Payment due on the Maturity Date may increase substantially.

You must make your choices regarding a Fixed Rate Loan at the time you exercise the Fixed Rate Loan Option for the loan in accordance with our procedures. You may make a different choice for each Fixed Rate Loan that you obtain.

We will notify you of the amount of the Minimum Payment for the Fixed Rate Loan. For any Fixed Rate Loan (other than one with a Special Term and Interest Only Minimum Payment), your first Minimum Payment may be for a period of less than one month and if so, we may apply the excess amount of the payment to the outstanding principal balance of the Fixed Rate Loan, which may (depending on the term and payment choice that you make) reduce the amount of your final scheduled payment on the Fixed Rate Loan. Your Minimum Payment on each Fixed Rate Loan is in addition to the Minimum Payments that you must pay on any other Fixed Rate Loans and on the Variable Rate Advances.

(l) If you authorized our Auto Pay service for the Fixed Rate Loan at the time you exercised the Fixed Rate Loan Option and thereafter the Auto Pay service for the Fixed Rate Loan is terminated by you or us for any reason, or if the account designated to make Auto Pay payments is changed from an account maintained at WASHINGTON MUTUAL BANK to an account maintained at any other financial institution, your Minimum Payment and ANNUAL PERCENTAGE RATE will increase. Your new Minimum Payment will be determined as follows:

0749632881

(i) If the Fixed Rate Loan has a Standard Term and Fully Amortizing Minimum Payment, your new Minimum Payment will equal the amount sufficient to repay the outstanding principal balance of the Fixed Rate Loan that is anticipated to be unpaid at the time that the ANNUAL PERCENTAGE RATE increases, together with periodic FINANCE CHARGES at the increased ANNUAL PERCENTAGE RATE described in Section 24(f) above, in full in substantially equal monthly installments through the remainder of the scheduled term of the Fixed Rate Loan. The entire outstanding principal balance of the Fixed Rate Loan, together with all accrued and unpaid FINANCE CHARGES, if not sooner paid, will be due and payable in full in a single payment on the last day of the scheduled term of the Fixed Rate Loan. We are not obligated to refinance this amount.

(ii) If the Fixed Rate Loan has a Standard Term and Partially Amortizing Minimum Payment, your new Minimum Payment will equal the amount sufficient to repay the outstanding principal balance of the Fixed Rate Loan that is anticipated to be unpaid at the time that the ANNUAL PERCENTAGE RATE increases, together with periodic FINANCE CHARGES at the increased ANNUAL PERCENTAGE RATE described in Section 24(f) above, in full in substantially equal monthly installments through the remainder of the scheduled Amortization Term. In addition, you will be required to pay the entire outstanding principal balance of the Fixed Rate Loan, together with all accrued and unpaid FINANCE CHARGES, in a single Balloon Payment on the Maturity Date. We are not obligated to refinance this Balloon Payment.

(iii) If the Fixed Rate Loan has a Special Term and Interest Only Minimum Payment, your new Minimum Payment will be equal to all of the unpaid periodic FINANCE CHARGES that have accrued on the outstanding principal balance of the Fixed Rate Loan at the increased ANNUAL PERCENTAGE RATE described in Section 24(f) above. At the conclusion of the term of the Fixed Rate Loan, the entire outstanding principal balance of the Fixed Rate Loan, together with all accrued and unpaid FINANCE CHARGES and all other fees and charges relating to the Fixed Rate Loan, automatically will be transferred to the balance of your Variable Rate Advances, which will then accrue FINANCE CHARGES in accordance with Section 5 above and be subject to all other provisions of this Agreement relating to Variable Rate Advances.

We will notify you of the amount of any change in the Minimum Payment for the Fixed Rate Loan.

(iv) In the event of any conflict or inconsistency between the provisions of this Section 24 and the remaining provisions of this Agreement, the provisions of this Section 24 shall prevail. Except as otherwise provided in this Section 24, all remaining provisions of this Agreement shall apply to the Fixed Rate Loans in accordance with their terms.

YOUR BILLING RIGHTS KEEP THIS NOTICE FOR FUTURE USE

This notice contains important information about your rights and our responsibilities under the Fair Credit Billing Act.

Notify Us in Case of Errors or Questions About Your Bill. If you think your bill is wrong or if you need more information about a transaction on your bill, write us (on a separate sheet) at the address listed on your bill. Write to us as soon as possible. We must hear from you no later than sixty (60) days after we sent you the first bill on which the error or problem appeared. You can telephone us, but doing so will not preserve your rights.

In your letter, give us the following information:

- *Your name and account number
- *The dollar amount of the suspected error
- *Describe the error and explain, if you can, why you believe there is an error. If you need more information, describe the item you are not sure about.

If you have authorized us to pay your bill automatically from your deposit account, you can stop the payment on any amount you think is wrong. To stop the payment, your letter must reach us three (3) business days before the automatic payment is scheduled to occur.

Your Rights and Our Responsibilities After We Receive Your Written Notice. We must acknowledge your letter within thirty (30) days, unless we have corrected the error by then. Within ninety (90) days, we must either correct the error or explain why we believe the bill was correct.

After we receive your letter, we cannot try to collect any amount you question or report you as delinquent. We can continue to bill you for the amount you question, including FINANCE CHARGES, and we can apply any unpaid amount against your credit limit. You do not have to pay any questioned amount while we are investigating, but you are still obligated to pay the parts of your bill that are not in question.

If we find that we made a mistake on your bill, you will not have to pay any FINANCE CHARGES related to any questioned amount. If we did not make a mistake, you may have to pay FINANCE CHARGES and you will have to make up any missed payments on the questioned amount. In either case, we will send you a statement of the amount you owe and the date on which it is due.

If you fail to pay the amount that we think you owe, we may report you as delinquent. However, if our explanation does not satisfy you and you write to us within ten (10) days telling us that you still refuse to pay, we must tell anyone we report you to that you have a question about your bill. And we must tell you the name of anyone we reported you to. We must tell anyone we report you to that the matter has been settled between us when it finally is.

If we do not follow these rules, we can not collect the first \$50.00 of the questioned amount, even if your bill was correct.

Special Rule for Credit Card Purchases. If you have a problem with the quality of property or services that you purchased with a credit card and you have tried in good faith to correct the problem with the merchant, you may have the right not to pay the remaining amount due on the property or the services. There are two limitations on this right:

- (a) You must have made the purchase in your home state or, if not within your home state, within 100 miles of your current mailing address, and
- (b) The purchase price must have been more than \$50.00.

These limitations do not apply if we own or operate the merchant or if we mailed you the advertisement for the property or services.

0749632881

By signing below you agree to the terms of this Agreement and you acknowledge that you have read and received a copy of this Agreement



Daniel Hunter

10/13/09
 10/13/09
 10/13/09

APPENDIX 5

PROPERTY AFFIDAVIT
AND AGREEMENT
CP 219-223



PROPERTY AFFIDAVIT AND AGREEMENT

Date 01/26/2007
Loan Number 0749632881

DANIEL HUNTER

(All signers to the Loan Agreement, Note and Security Instrument, as applicable, hereinafter collectively referred to as "Signers") make the following representations and agreements based on their knowledge and belief to WASHINGTON MUTUAL BANK (the "Bank"), to induce the Bank to close the above-referenced loan (the "Loan")

1 Below is how title is currently held in the real property that is intended to serve as collateral for the Loan and is located at the collateral address of 8719 CUSTER RD SW LAKEWOOD, WA 98499-2103

(hereinafter referred to as the "Property")

DANIEL HUNTER

2 The owners identified in No 1 above are the only owners of the Property

3 Signers represent that the following information about the Property is true, accurate and complete

- Occupancy [X] Owner [] Non Owner [] Second Home
Property Type [X] SFR [] Duplex [] Triplex [] FourPlex
Sub-Property Type [] Condo [] PUD [] MH
Property vested in a trust [] Yes [X] No
Property is NOT vested in a life estate
Property is NOT a leasehold

4 Signers understand that the "Short Form Exhibit 'A'" attached to the Mortgage, Deed of Trust, or Deed to Secure Debt (the "Security Instrument") securing the Loan and the body of the Security Instrument may contain a limited description of the Property and that corrections, modifications, or supplements to that description may be necessary. Signers agree that the Bank or its agent may correct, modify, or supplement that description or make other corrections,

0749632881

modifications, or supplements to the Security Instrument and any other Loan documents that the Bank or its agent reasonably believes are necessary or appropriate to obtain recordation of the Security Instrument without Signers re-execution or re acknowledgment of the Security Instrument or execution or acknowledgment of a corrected, modified, or supplemented Security Instrument and other Loan documents

5 Signers will, within ten (10) days of being asked, comply with any request by the Bank or agent of the Bank to correct documentation errors or oversights, if any, that occur in the Loan documents

6 There are no matters pending against the Signers that could give rise to a lien that would attach to the Property or cause a loss of title or impair the title between the last abstract continuation and the recording of the Bank's new Loan and Signers have not and will not execute any instrument that would adversely affect the title or interests of the Bank

7 Signers have not caused a "Notice of Commencement" to be recorded which pertains to the Property, nor have Signers caused any unrecorded labor, mechanics, or materialmen liens against the Property and no material has not been paid for in full Signers have made no improvements, alterations or repairs to the property for which the costs thereof remain unpaid and Signers know of no claims for labor or material furnished for repairing or improving the same which remain unpaid

8 Signers know of no unpaid bills, liens, or assessments for mowing, water, sanitary sewers, paving or other public utilities or improvements made by any government agencies No notice has been received of any public hearing regarding future or pending zoning changes or assessments for improvements by any governmental agencies

9 The following are recorded and/or unrecorded deeds, judgments, liens, mortgages, easements, rights of way for users or adverse interests with respect to the Property

10 Signers know of no violations of any municipal ordinances or restrictive covenants pertaining to the Property

11 There are no existing contracts for sale or mortgage commitments (other than those being now closed) affecting the Property

12 There is no civil action pending which involves the Property in any way There is no action for bankruptcy or foreclosure pending against any of the Signers

13 There are no state tax liens, federal tax liens, or other liens or judgments filed against any of the Signers

14 Signers agree to cooperate, if requested by the Bank, in adjusting for clerical errors on any or all Loan documents Said adjustments to be made if deemed necessary or desirable in the reasonable discretion of the Bank

0749632881

THIS AFFIDAVIT AND AGREEMENT is made for the purpose of inducing the Bank to close and to disburse any funds on the above described representations. Signers warrant that all these statements shall be true and correct at settlement and Borrower shall notify the Bank of any changes in these representations and agreements before Loan closing. Signers intend for the Bank to rely on these representations and agreements.

The Bank and its employees, as well as any attorney involved with this transaction, are hereby authorized to rely on these continuing declarations, representations, and agreements and Signers will indemnify the persons and entities listed above, for all damages, loss, cost and expenses, including attorney fees, which occur because of such reliance.


DANIEL HUNTER

0749632881

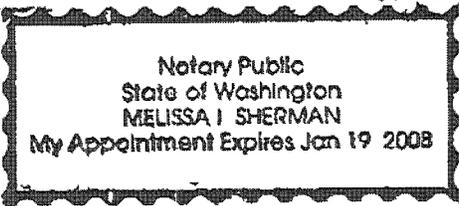
STATE OF WA)
)
COUNTY OF Pierce) ss

SWORN TO and subscribed before me on Jan 26 Date 2007 by
DANIEL HUNTER _____ and
_____ and
_____ and
_____ and
_____ and
_____ and

who is/are personally known to me or who has produced WADL
as identification

(SEAL)

Melissa I Sherman
Printed/Typed Name MELISSA I SHERMAN
Notary public in and for the state of WA
Comission Number _____



APPENDIX 6

LOAN COMMENT SUMMARY

CP 224-233



COMMENT SUMMARY

0749632881
DANIEL HUNTER

01/16/2007 3:56:26 PM AUTOBOARDING COMMENT

Liability Information
Account ID - 4006610048155091
Holder Name - ASSOC/CITI
Holder Address - , ,
Type - Revolving
Monthly Payment Amount - \$341.00
Unpaid Balance Amount - \$22,780.00
Remaining Term Months - 66
Payoff Status Indicator - N

01/16/2007 3:56:26 PM AUTOBOARDING COMMENT

Liability Information
Account ID - 4355788565009746
Holder Name - US BANK/NA ND
Holder Address - , ,
Type - Revolving
Monthly Payment Amount - \$67.00
Unpaid Balance Amount - \$4,697.00
Remaining Term Months - 70
Payoff Status Indicator - N

01/16/2007 3:56:26 PM AUTOBOARDING COMMENT

Liability Information
Account ID - 54912372
Holder Name - USAA SAVINGS BANK
Holder Address - , ,
Type - Revolving
Monthly Payment Amount - \$44.00
Unpaid Balance Amount - \$2,249.00
Remaining Term Months - 51
Payoff Status Indicator - N

01/16/2007 3:56:26 PM AUTOBOARDING COMMENT

Page 4 Notes Template

Please complete template in it's entirety to enable an expedited and accurately processed application. Copy & Paste into Optis Yellow Notes

RETAIL - ORIGINATOR MOSES STATION

Employee UID 168356 HLC Region # 2 Employee Cost Center 8560 Fax
253.305.5377
BLC (Y/N): YES Retail Bank Employee (Y/N): NO FC Cost Center # and
Name 0176 UNIVERSITY PLACE

CUSTOMER CONTACT

Contact Name DANIEL HUNTER Borrower (Y/N): YES Co-Borrower
(Y/N): NO POA (Y/N): N/A
E-Mail Address N/A Phone Number 253.988.4222

BANK

COMMENT SUMMARY
CONTINUED

Phone Fax Policy # (Refi Only)

HOME OWNERS ASSOCIATION

Company Name Agent
Phone Fax Dues

STATE SPECIFIC

CA Domestic Partner (Y/N): CT Civil Union (Y/N):
Colorado Purchase Seller Name
Colorado Purchase Seller Address
NY CEM (Y/N): Old NY CEM Loan # CEM Bank Attorney Info

CondoCert Fees

Has the applicant used CondoCert Site (Y/N): Indicate the cost / fee
applicant paid

Comments

Loan Consultant Comments to LPC

1ST LIEN HELOC REQUEST FOR 193,000
89.9 OF STATED VALUE OF 215,000NEW CUSTOMER RELATIONSHIP ACROSS THE BOARD.. GREAT OPPORTUNITY FOR
CROSS SELLS...

01/16/2007 3:56:33 PM 1 S.U.C.C.E.S.S. HIGH COST

Yield Security Indices

3 Year Treasury Index: 4.62
5 Year Treasury Index: 4.57
7 Year Treasury Index: 4.57
10 Year Treasury Index: 4.6
20 Year Treasury Index: 4.81
30 Year Treasury Index: 4.72

01/16/2007 3:56:33 PM 1 S.U.C.C.E.S.S. DECISION

Auto approve 01/16/2007 03:56 pm
Loan amount: \$193,000.00
Loan total gross income: \$4,000.00
Total applicant aggregate: \$193,000.00
CLTV: 89.76
Score matrix decision: A
Custom score: 752

Applicant info:

Name: DANIEL HUNTER
Residency status: US Citizen
Application taken by: Phone

COMMENT SUMMARY
CONTINUED

Employment type: Salaried
 Employment start date: 01/01/1994
 Total gross monthly income: \$4,000.00
 Lived here beginning date: 01/01/2001
 FICO: 731

01/17/2007 5:24:03 PM 225318 LOAN COORD-CLPC / DAVID ZIMMERMAN
 4575 - LOMBARD CLPC

The Appraisal Service: Corelogic AVM with appraised value \$218,000.00
 was accepted

01/17/2007 5:24:07 PM 225318 S.D.C.C.E.S.S. HIGH COST
 4575 - LOMBARD CLPC

Yield Security Indices

3 Year Treasury Index: 4.62
 5 Year Treasury Index: 4.57
 7 Year Treasury Index: 4.57
 10 Year Treasury Index: 4.6
 20 Year Treasury Index: 4.81
 30 Year Treasury Index: 4.72

01/17/2007 5:24:34 PM 225318 LOAN COORD-CLPC / DAVID ZIMMERMAN
 4575 - LOMBARD CLPC

Request type is Instant Title. Names and vesting verified

01/17/2007 5:31:38 PM 225318 LOAN COORD-CLPC / DAVID ZIMMERMAN
 4575 - LOMBARD CLPC

32289 - Notice to Home Loan App & Credit Score Disclosure has been
 printed.

01/17/2007 5:34:53 PM 225318 LOAN COORD-CLPC / DAVID ZIMMERMAN
 4575 - LOMBARD CLPC

INITIAL SUCCESS
 Application Date: 01/17/2007
 Product: HELOC 1st Lien
 Original Loan Amount Requested: \$193,000.00
 Initial SUCCESS Decision: Auto Approve
 SUCCESS Interest Rate: 7.850%
 APR: 7.850%
 Promotional Rate: N/A
 FRLO Rate: N/A
 FRLO Margin: N/A
 FRLO Term (months): N/A
 FRLO Amount: N/A
 SUCCESS Prime plus Margin: (0.400) %
 Credit Matrix: A
 FICO Score: 731
 Custom Score: 752

COMMENT SUMMARY
CONTINUED

Current DTI Ratio: 42%
 Current CLTV: 88.53%
 Property Value Used to Determine CLTV: \$218,000.00
 CVR Used to Determine CLTV: AVM
 If AVM received, amount of AVM: \$218,000.00

01/17/2007 5:35:14 PM 225318 LOAN COORD-CLPC / DAVID ZIMMERMAN
 4575 - LOMBARD CLPC

Lombard assigned loan. File received/David Zimmerman. *** DTU File

Reprinted preliminary documents on 01/17/2007 because there is no
 comment from the LO stating the prelims were faxed to the CLPC.
 Original print date of preliminary documents was 01/17/2007.

01/17/2007 5:35:20 PM 225318 LOAN COORD-CLPC / DAVID ZIMMERMAN
 4575 - LOMBARD CLPC

Mailed Commitment Letter to the borrower on: 01/17/2007

01/17/2007 5:36:16 PM 225318 LOAN COORD-CLPC / DAVID ZIMMERMAN
 4575 - LOMBARD CLPC

Pushing file to Processing for review.

01/17/2007 5:36:25 PM 225318 LOAN COORD-CLPC / DAVID ZIMMERMAN
 4575 - LOMBARD CLPC

File received for Past Track review on: 01/17/2007.

01/17/2007 5:38:45 PM 225318 LOAN COORD-CLPC / DAVID ZIMMERMAN
 4575 - LOMBARD CLPC

*** The following items are needed before the loan can be set up for
 closing ***

Commitment Expires on: 02/16/2007
 1st Lien mortgage verification of Hazard Insurance needed
 Borrower to provide ID/ Autopay Information

Please fax the requested items to 866-716-6928 or call
 Customer Call Center 877-762-6678 with updated information.
 Please make sure all replies to this e-mail are sent to the address
 of: GM CLPC Lombard Retail File Processing

01/17/2007 8:18:55 PM 463586 UNKNOWN JOB TITLE / POSKPA VINAYAGAM

COMMENT SUMMARY
CONTINUED

Fax Receipt - Loan Coordinator

Received Fax - Forwarding to Lombard Archive 01/17/2007

01/17/2007 8:24:45 PM 463586 UNKNOWN JOB TITLE / PUSKPA VINAYAGAM

Fax Receipt - Loan Coordinator

Received Fax - Forwarding to Lombard Archive 01/17/2007

01/17/2007 9:34:29 PM 225118 LOAN COORD-CLPC / DAVID ZIMMERMAN
4575 - LOMBARD CLPC

FAX received contents as follow:

Signed Prelim Docs.

01/19/2007 1:17:17 PM 463580 UNKNOWN JOB TITLE / ARUNAGIRI TEEXARAMAN

Fax Receipt - Loan Coordinator

Received Fax - Forwarding to Lombard RightFax Archive 01/19/2007

01/22/2007 11:15:39 AM 221928 LOAN COORD-CLPC / BRIAN KERR
4575 - LOMBARD CLPC

Received fax of ins binder with updated mortgage clause but has wrong po box address. faxed request to ins company to change address

01/22/2007 11:29:48 AM 221928 LOAN COORD-CLPC / BRIAN KERR
4575 - LOMBARD CLPC

called and spoke to LO Moses and confirmed they will do signing service closing.

01/22/2007 11:53:47 AM 221928 LOAN COORD-CLPC / BRIAN KERR
4575 - LOMBARD CLPC

system freezes everytime LC tries to add 2MP fee. opened ticket with help desk CLS771767

01/22/2007 2:20:55 PM 463578 UNKNOWN JOB TITLE / JAYITHA RAMACHANDRAN

Fax Receipt - Loan Coordinator

Received Fax - Forwarding to Lombard Archive 01/22/2007

COMMENT SUMMARY
CONTINUED

01/23/2007 12:30:27 PM 221928 LOAN COORD-CLPC / BRIAN KERR
4575 - LOMBARD CLPC

received fax back of updated ins dec page

also ticket has been resolved

01/23/2007 12:41:18 PM 221928 LOAN COORD-CLPC / BRIAN KERR
4575 - LOMBARD CLPC

Loan Coordinator Request for Confirmed Terms from Originator

Loan Consultant Email: ul68356

Alternate Email:

Applicant Name (s): DANIEL HUNTER

Loan Number/Borrower's Last Name: Hunter, 0749632881

Product: Wamu Mortgage Plus

Loan Amount: \$193,000.00

Promo Rate: n/a

Prime Rate: 8.250%

Margin: -0.400%

HELOC Method of Payment: Wamu Auto-pay

FRLO Term:

FRLO Rate:

FRLO Amount:

FRLO Type:

FRLO Method of Payment:

Lender Paid Closing Costs: \$262.50

Applicant's Closing Costs: \$0.00

01/23/2007 12:41:23 PM 221928 LOAN COORD-CLPC / BRIAN KERR
4575 - LOMBARD CLPC

Debts to be paid at Closing (Payee & Amt): n/a

Additional Signers: n/a

Collateral Address: 8719 CUSTER RD SW

LAKESWOOD, WA 98499

Mailing Address: same as above

Property Type: Single Family Residence

Additional Property Type:

Occupancy: Owner Occupied

Vesting: DANIEL HUNTER

01/23/2007 12:41:27 PM 221928 LOAN COORD-CLPC / BRIAN KERR
4575 - LOMBARD CLPC

Commitment Expiration Date: 02-15-07

Payoff Expiration Date: n/a

COMMENT SUMMARY
CONTINUED

Public Record Expiration Date: n/a
REL: no
PRLO: no

Per Liquid Office Application,

- 1) Property In A Trust: no
2) All vested owners as stated have been entered: yes

01/23/2007 1:49:57 PM 133352 LOAN COORD-SR-CLPC / KIMBERLY SCOTT
4575 - LOMBARD CLPC

Originator Response to Loan Coordinator with Confirmed Terms

Signing Date: 1-25-2007

***The earliest we can close is 3 business days from the date that you reply to this email.

Signing Time: morning

Signing Location (Home/RLC): PC

Signing Address: 10011 GRAVELLY LAKE DR SW

LAKELWOOD, WASH... 98499

Notary Required? (Yes/No) NO

Best phone # to contact borrower: 253.988.4222

Next best phone # to contact borrower: 253.988.4222

Advance amount: 0

Advance disbursement method (FedEx, regular mail, Wamu Auto-deposit):

N/A

If FedEx or Mail, provide address, if auto-deposit, provide account

#: N/A

Auto-pay Information: N/A

Lender paid fee option? (Yes/No) NO

***Note: NOO, 2nd home, 1st Lien HELOCs, 3-4 Units, & Entity Vesting

NOT-Eligible for the Lender Paid Program

Borrower Paid Fees: Roll into loan, or bring check to closing? ROLL

INTO-LOAN

Additional Notes (Term Changes/Corrections, special requirements,

borrower language preference, etc): N/A

01/23/2007 3:07:06 PM 172556 SPPT SPEC-CLPC / PAMELA BARTHELS
4575 - LOMBARD CLPC

Placed file in que under closing date

01/24/2007 7:21:51 AM 133352 LOAN COORD-SR-CLPC / KIMBERLY SCOTT
4575 - LOMBARD CLPC

AVM PAID BY BORROWER

01/24/2007 7:25:04 AM 133352 LOAN COORD-SR-CLPC / KIMBERLY SCOTT
4575 - LOMBARD CLPC

CLOSING CONFIRMATION

Loan #/Applicant Name: 0749632881/DANIEL HUNTER

Application Date: 01-16-07

COMMENT SUMMARY
CONTINUED

Confirmed Closing Date: 01-25-07
 Confirmed Closing Time: A.M.
 Location of Closing: HLC
 Signing Service: Not Applicable
 FedEx Tracking Number: Not Applicable
 Scheduled Funding Date: 01-30-07
 Additional Signers: N/A

Applicant Paid Fees: \$143.50
 Advance Amount: N/A
 First Payment Due Date: N/A

01/24/2007 3:01:14 PM 195814 CUST CARE SPEC-SR-CL / INDRA JADDANDAN
 1001215 - LNDG HELP DSK-F

Customer Care Update - Loan Coordinator

CC

LO - Moses called.
 Wants to switch from Mtg + to the Equity +.
 Was unaware there was a prepayment fee on the Mtg +

Please change to Equity Plus product.. BO paying fees to avoid
 prepayment. o/o

01/25/2007 1:19:20 PM 217311 CUST CARE SPEC-SR-CL / DEREK STOMI
 1000132 - MELBOURNE CLPC

Staton, Moses

UID-ul68356

JOB Title: Banking Loan Consultant

Business Phone: 253-305-5370

City, State: Puyallup, WA

called. CCP emailed above comment to GM LOM C/F

01/25/2007 1:42:53 PM 601703 LOAN COORD-CLPC / CATHERINE STRAL
 4575 - LOMBARD CLPC

The Product Option Type of the Loan has changed from HELOC - First
 lien to RELOC - Home equity line of credit.

01/25/2007 1:43:39 PM 601703 S.G.C.C.E.S.S. HIGH COST
 4575 - LOMBARD CLPC

Yield Security Indices

3 Year Treasury Index: 4.62

5 Year Treasury Index: 4.57

7 Year Treasury Index: 4.57

10 Year Treasury Index: 4.6

20 Year Treasury Index: 4.81

30 Year Treasury Index: 4.72

01/25/2007 1:43:39 PM PRICING SETUP

COMMENT SUMMARY
CONTINUED

This loan used a transaction type of: 4

01/25/2007 1:45:15 PM 601703 LOAN COORD-CLPC / CATHERINE SIBAL
4575 - LOMBARD CLPC

32289 - Notice to Home Loan App & Credit Score Disclosure has been printed.

01/25/2007 1:46:10 PM 601703 LOAN COORD-CLPC / CATHERINE SIBAL
4575 - LOMBARD CLPC

Request type is Instant Title. Names and vesting verified

01/25/2007 1:50:38 PM 601703 LOAN COORD-CLPC / CATHERINE SIBAL
4575 - LOMBARD CLPC

changed product and repriced loan; closing docs to be re-drawn.

01/25/2007 3:42:52 PM 601703 LOAN COORD-CLPC / CATHERINE SIBAL
4575 - LOMBARD CLPC

sent new closing package.

01/31/2007 12:26:44 PM 132350 LOAN COORD-CLPC / KIMBERLY KRISTIE
4575 - LOMBARD CLPC

Received loan for Prefund review.
Signature Verification sent to I Card.

01/31/2007 12:32:06 PM 132350 LOAN COORD-CLPC / KIMBERLY KRISTIE
4575 - LOMBARD CLPC

Loan ready to fund.

01/31/2007 3:26:13 PM 177136 LOAN COORD-CLPC / PETER PLOEGMAN
4575 - LOMBARD CLPC

Loan Consultant Email: u168356
Alternate Email:
Loan #/Applicant Name: 0749632881/Hunter
Closing Date: 01-26-07
Date Funded: 01-31-07
Advance Amount: \$0.00
Advance Sent Via:

01/31/2007 3:26:30 PM 177136 FINAL DECISION
4575 - LOMBARD CLPC

COMMENT SUMMARY
CONTINUED

Auto approve 01/16/2007 03:56 pm
Loan amount: \$193,000.00
Debt to income ratio: 47
Loan total gross income: \$4,000.00
Total applicant aggregate: \$193,000.00
Total liquid assets: \$0.00
CLTV: 89.76
Score matrix decision: A
Custom score: 752

Applicant info:

Name: DANIEL HUNTER
Residency status: US Citizen
Application taken by: Phone
Employment type: Salaried
Employment start date: 01/01/1994
Total gross monthly income: \$4,000.00
Including Other Income Type: RHO rental income for: \$0.00
FICO: 731

01/31/2007 3:26:31 PM 177136 LOAN COORD-CLPC / PETER PLOEGMAN
4575 - LOMBARD CLPC

Instant Title -- Declaration

The following declarations were made on the loan at time of completion:

Is the title to the property held in a Trust/Entity? N
DANIEL HUNTER -- Vested Owner

APPENDIX 7

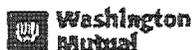
WASHINGTON MUTUAL BANK

DEED OF TRUST

(No Legal Description)

CP 201-208

Recording requested by and
when recorded return to:
WASHINGTON MUTUAL BANK
FIRST AMERICAN LENDERS ADVANTAGE
1100 SUPERIOR AVENUE SUITE 200
CLEVELAND, OH 44114
ATTN: FACT DEPARTMENT



**WaMu Equity Plus™
DEED OF TRUST**

Loan Number: 0749632881

THIS DEED OF TRUST (Security Instrument) is between:
DANIEL HUNTER

whose address is:

8719 CUSTER RD SW LAKEWOOD, WA 98499-2103

("Grantor"); FIRST AMERICAN TITLE INS. CO. a WASHINGTON corporation, the
address of which is:

2101 FOURTH AVE SUITE 800 SEATTLE, WA 98121

("Trustee"); and

WASHINGTON MUTUAL BANK, A FEDERAL ASSOCIATION, WHICH IS ORGANIZED AND
EXISTING UNDER THE LAWS OF THE UNITED STATES OF AMERICA AND WHOSE ADDRESS IS
2273 N GREEN VALLEY PARKWAY, SUITE #14, HENDERSON, NV 89014 ("BENEFICIARY") AND
ITS SUCCESSORS OR ASSIGNS.

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

8719 CUSTER RD SW LAKEWOOD, WA 98499-2103
SEE ATTACHED EXHIBIT A

Tax Parcel Number: SEE ATTACHED EXHIBIT A together with all

0749632881

insurance proceeds and condemnation proceeds related to it; 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 the property described above is called the "Property." If any of the Property is personal property, this Deed of Trust is also a Security Agreement which grants Beneficiary, as secured party, a security interest in all such property. Despite any other provision of this Deed of Trust, however, Beneficiary is not granted and will not have a nonpurchase money security interest in household goods, to the extent such security interest would be prohibited by applicable law. As used herein "State" shall refer to the State of Washington.

2. **Obligation Secured.** This Deed of Trust is given to secure performance of each promise of Grantor contained herein and in a WaMu Equity Plus(TM) Agreement and Disclosure with Beneficiary with a maximum credit limit of \$193,000.00 (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 variable and fixed rates 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 amounts due under the Credit Agreement and this Deed of Trust are 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 presently and will not during the term of this Deed of Trust be used for any agricultural 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 to keep the Property free of all encumbrances which may impair Beneficiary's security. It is agreed that if anyone asserts the priority of any encumbrance other than those described in Section 3(a) over this Deed of Trust in any pleading filed

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in any action, the assertion alone shall be deemed to impair the lien of this Deed of Trust for purposes of this Section 4(e);

(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. The amount collected under any insurance policy may be applied upon any indebtedness hereby secured in the same manner as payments under the Note or, at Beneficiary's sole option, released to Grantor. In the event of foreclosure or sale of the Property pursuant to the Trustee's power of sale, all rights of the Grantor in insurance policies then in force shall pass to the purchaser at the Sheriff's or Trustee's sale;

(g) To sign all financing statements and other documents that Beneficiary may request from time to time to perfect, protect and continue Beneficiary's security interest in the Property. Grantor irrevocably appoints Beneficiary as Grantor's attorney-in-fact to execute, file and record any financing statements or similar documents in Grantor's name and to execute all documents necessary to transfer title if there is a default; and

(h) To advise Beneficiary immediately in writing of any change in Grantor's name, address or employment.

5. **Sale, Transfer or Further Encumbrance of Property.** Loan is personal to Grantor and the entire Debt shall become immediately due and payable in full upon sale or other transfer of the Property or any interest therein by Grantor by contract of sale or otherwise including, without limit, any further encumbrance of 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. At Beneficiary's option, advance may be made against the Credit Agreement to pay amounts due hereunder. Such shall not relieve Grantor from liability for failure to fulfill the covenants in Section 4. 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. Although Beneficiary may take action under this paragraph, Beneficiary is not obligated to do so.

7. **Remedies For Default.**

(a) Prompt performance under this Deed of Trust is essential. If Grantor does not pay any installment of the Debt or other amount due hereunder on time, any other event occurs that entitles Beneficiary to declare the unpaid balance of the Debt due and payable in full under the Credit Agreement, if Grantor fails to comply with any other term, condition, obligation or covenant contained in the Credit Agreement or this Deed of Trust or any rider thereto, any other deed of trust, mortgage, trust indenture or security agreement or other instrument having priority over this Deed of Trust or if any representation of Grantor herein was false or misleading, 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, and the total amount owed by Grantor shall thereafter bear interest at the rate(s) stated in the Credit Agreement. Beneficiary may then or thereafter advise Trustee of the default and of Beneficiary's election to have the Property sold pursuant to Trustee's power of sale in accordance with applicable law and deliver to Trustee any documentation as may be required by law. After giving any notices and the time required by applicable law,

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Trustee shall sell the Property, either in whole or in separate parcels or other part and in such order as Trustee may choose, at public auction to the highest bidder for cash in lawful money of the United States which will be payable at the time of sale, all in accordance with applicable law. Anything in the preceding sentence to the contrary notwithstanding, Beneficiary may apply the Debt towards any bid at any such sale. Trustee may postpone any such sale by providing such notice as may be required by law. Unless prohibited by law, any person, including the Grantor, Beneficiary or Trustee, may purchase at any such 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; and (iii) the surplus, if any, shall go to the person(s) legally entitled thereto or, at Trustee's discretion, to the government or other official authorized by State law to accept such amounts.

(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 had the power to convey at the time of execution of this Deed of Trust and any interest which Grantor subsequently acquired. The 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) To the extent permitted by law the power of sale conferred by this Deed of Trust is not an exclusive remedy. Beneficiary may cause this Deed of Trust to be judicially foreclosed or sue on the Credit Agreement or take any other action available in equity or at law. In connection with any portion of the Property which is personal property, Beneficiary shall further be entitled to exercise the rights of a secured party under the Uniform Commercial Code as then in effect in the State of Washington.

(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 obligation secured by this Deed of Trust, shall be paid to Beneficiary to be applied to the obligation in the same manner as payments under the Credit Agreement.

9. Fees and Costs. Grantor shall pay Beneficiary's and Trustee's reasonable costs of searching records, other reasonable expenses as allowed by law and reasonable attorney's fees in any lawsuit or other proceeding to foreclose this Deed of Trust, in any lawsuit or proceeding which Beneficiary or Trustee prosecutes or defends to protect the lien of this Deed of Trust, in any other action taken by Beneficiary to collect the Debt, including without limitation any disposition of the Property under the State Uniform Commercial Code, and any action taken in bankruptcy proceedings as well as any appellate proceedings.

10. Reconveyance. Trustee shall reconvey the Property to the person entitled thereto on written request of Beneficiary or following satisfaction of the obligations secured hereby and Beneficiary and Trustee shall be entitled to charge Grantor a reconveyance fee together with fees for the recordation of the reconveyance documents, unless prohibited by law.

11. Trustee; Successor Trustee. Beneficiary may, unless prohibited by law, appoint a successor Trustee from time to time in the manner provided by law. The successor Trustee shall be vested with all powers of the original Trustee. The Trustee is not obligated to notify any party

0749632881

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. Savings Clause. If a law which applies to this Deed of Trust or the Credit Agreement and which sets maximum loan charges is finally interpreted by a court having jurisdiction so that the interest or other loan charges collected or to be collected in connection with this Deed of Trust or the Credit Agreement exceed the permitted limits, then: (i) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (ii) any sums already collected from Grantor which exceeded permitted limits will be refunded to Grantor. Beneficiary may choose to make this refund by reducing the principal owed or by making a direct payment. If a refund reduces the principal, the reduction will be treated as a partial prepayment.

13. Miscellaneous. This Deed of Trust shall benefit and obligate the heirs, devisees, legatees, administrators, executors, successors and assigns of the parties hereto. The term "Beneficiary" shall mean the holder and owner of the Credit Agreement 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. This Deed of Trust shall be governed by and construed in accordance with federal law and, to the extent federal law does not apply, the laws of the State of Washington. If any provision of this Deed of Trust is determined to be invalid under law, the remaining provisions of this Deed of Trust shall nonetheless remain in full force and effect.

14. Beneficiary and Similar Statements. Beneficiary may collect a fee in the maximum amount allowed by law for furnishing any beneficiary statement, payoff demand statement or similar statement.

15. Riders. If one or more riders are executed by Grantor 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))

Condominium Rider

Other: _____
(specify)

Planned Unit Development Rider

0749632881

By signing below, Grantor accepts and agrees to the provisions of this Deed of Trust and any rider(s) executed by Grantor concurrently therewith.

DATED at LAKWOOD WA this 20 day of January, 2007.

GRANTOR(S):


DANIEL HUNTER

0749632881

STATE OF WASHINGTON

COUNTY OF Pierce

SS

On this day personally appeared before me :
DANIEL HUNTER

and

and

and

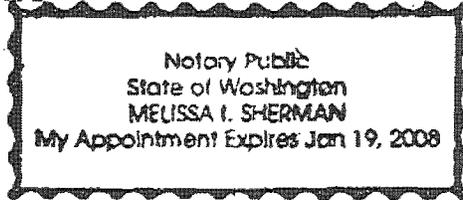
and

and

to me known to be the individuals described in and who executed the within and foregoing instrument and acknowledge 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 26 day of January, 2007.

Melissa I. Sherman
Notary Public in and for the State of Washington
Residing at: Tacoma, WA
My Commission expires: Jan 19, 2008



REQUEST FOR FULL RECONVEYANCE

Do not record. To be used only when Grantor's indebtedness has been repaid and Credit Agreement cancelled.

TO: TRUSTEE _____

The undersigned is Beneficiary of the within Deed of Trust, and the legal owner and holder of the WaMu Equity Plus(TM) Agreement secured thereby. Said Deed of Trust is hereby surrendered to you for reconveyance and you are requested, upon payment of all sums owing to you, to reconvey without warranty, to the person(s) entitled thereto the right, title and interest now held by you thereunder.

DATED _____

WASHINGTON MUTUAL BANK

By _____

Its _____

0749632881

EXHIBIT "A"
ATTACHMENT TO SECURITY INSTRUMENT

8719 CUSTER RD SW LAKEWOOD, WA 98499-2103

APPENDIX 8

PUGET SOUND TITLE REPORT

CP 367-371

LITIGATION GUARANTEE

NO. 173933

LIABILITY: \$196,000.00

FEE: \$768.00

SUBJECT TO THE LIMITATIONS CONTAINED HEREIN, THE EXCLUSIONS FROM COVERAGE, THE LIMITS OF LIABILITY AND OTHER PROVISIONS OF THE CONDITIONS AND STIPULATIONS HERETO ANNEXED AND MADE A PART OF THIS GUARANTEE.

**STEWART TITLE
GUARANTY COMPANY**
a corporation, herein called the Company,
GUARANTEES

the Assured named in Schedule A against loss not exceeding the liability amount stated in Schedule A which the Assured shall sustain by reason of any incorrectness in the assurance which the Company hereby gives that, according to the public records, as of Date of Guarantee shown in Schedule A:

1. The title to the herein described estate or interest was vested in the vestee named in Schedule A.
2. Except for the matters shown in Schedule B, there are no defects, liens, encumbrances or other matters affecting title to the estate or interest in the land shown in Schedule A, which matters are not necessarily shown in the order of their priority.
3. (a) The current interest holders claiming some right, title or interest by reason of the matters shown in Part II of Schedule B are as shown therein. The vestee named in Schedule A and parties claiming to have some right, title or interest by reason of the matters shown in Part II of Schedule B may be necessary parties defendant in an action, the nature of which is referred to in Schedule A.

(b) The current interest holders claiming some right, title or interest by reason of the matters shown in Part I of Schedule B may also be necessary parties defendant in an action, the nature of which is referred to in Schedule A. However, no assurance is given hereby as to those current interest holders.
4. The return addresses for mailing after recording, if any, as shown on each and every document referred to in Part II of Schedule B by specific recording information, and as shown on the document(s) vesting title as shown in Schedule A are as shown in Schedule C.

THIS LITIGATION GUARANTEE IS FURNISHED SOLELY FOR THE PURPOSE OF FACILITATING THE FILING OF THE ACTION REFERRED TO IN SCHEDULE A. IT SHALL NOT BE USED OR RELIED UPON FOR ANY OTHER PURPOSE.

Countersigned by:



Authorized Signatory

Puget Sound Title Company

Company Name

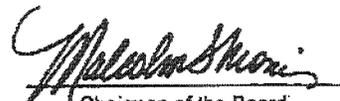
University Place, Washington

City, State

stewart
title guaranty company



Senior Chairman of the Board


Chairman of the Board


President

Serial No. LG-2226-2351

GUARANTEE CONDITIONS AND STIPULATIONS

1. **Definition of Terms** – The following terms when used in this Guarantee mean:
- (a) "the Assured": the party or parties named as the Assured in this Guarantee, or on a supplemental writing executed by the Company.
 - (b) "land": the land described or referred to in Schedule (A)(C) or in Part 2, and improvements affixed thereto which by law constitute real property. The term "land" does not include any property beyond the lines of the area described or referred to in Schedule (A)(C) or in Part 2, nor any right, title, interest, estate or easement in abutting streets, roads, avenues, alleys, lanes, ways or waterways.
 - (c) "mortgage": mortgage, deed of trust, trust deed, or other security instrument.
 - (d) "public records": records established under state statutes at Date of Guarantee for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without knowledge.
 - (e) "date": the effective date;
2. **Exclusions from Coverage of this Guarantee** – The Company assumes no liability for loss or damage by reason of the following:
- (a) Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
 - (b) (1) Unpatented mining claims; (2) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (3) water rights, claims or title to water; whether or not the matters excluded by (1), (2) or (3) are shown by the public records.
 - (c) Assurances to title to any property beyond the lines of the land expressly described in the description set forth in Schedule (A)(C) or in Part 2 of this Guarantee, or title to streets, roads, avenues, lanes, ways or waterways on which such land abuts, or the right to maintain therein vaults, tunnels, ramps or any other structure or improvement; or any rights or easements therein unless such property, rights or easements are expressly and specifically set forth in said description.
 - (d) (1) Defects, liens, encumbrances, or adverse claims against the title, if assurances are provided as to such title, and as limited by such assurances. (2) Defects, liens, encumbrances, adverse claims or other matters (a) whether or not shown by the public records, and which are created, suffered, assumed or agreed to by one or more of the Assureds; (b) which result in no loss to the Assured; or (c) which do not result in the invalidity or potential invalidity of any judicial or non-judicial proceeding which is within the scope and purpose of assurances provided.
3. **Notice of Claims to be Given by Assured Claimant** – An Assured shall notify the Company promptly in writing in case knowledge shall come to an Assured hereunder of any claim of title or interest which is adverse to the title to the estate or interest, as stated herein, and which might cause loss or damage for which the Company may be liable by virtue of this Guarantee. If prompt notice shall not be given to the Company, then all liability of the Company shall terminate with regard to the matter or matters for which prompt notice is required, provided, however, that failure to notify the Company shall in no case prejudice the rights of any Assured under this Guarantee unless the Company shall be prejudiced by the failure and then only to the extent of the prejudice.
4. **No Duty to Defend or Prosecute** – The Company shall have no duty to defend or prosecute any action or proceeding to which the Assured is a party, notwithstanding the nature of any allegation in such action or proceeding.
5. **Company's Option to Defend or Prosecute Actions; Duty of Assured Claimant to Cooperate** – Even though the Company has no duty to defend or prosecute as set forth in Paragraph 4 above:
- (a) The Company shall have the right, at its sole option and cost, to institute and prosecute any action or proceeding, interpose a defense, as limited in (b), or to do any other act which in its opinion may be necessary or desirable to establish the title to the estate or interest as stated herein, or to establish the lien rights of the Assured, or to prevent or reduce loss or damage to the Assured. The Company may take any appropriate action under the terms of this Guarantee, whether or not it shall be liable hereunder, and shall not thereby concede liability or waive any provision of this Guarantee. If the Company shall exercise its rights under this paragraph, it shall do so diligently.
 - (b) If the Company elects to exercise its option as stated in Paragraph 5(a) the Company shall have the right to select counsel of its choice (subject to the right of such Assured to object for reasonable cause) to represent the Assured and shall not be liable for and will not pay the fees of any other counsel, nor will the Company pay any fees, costs or expenses incurred by an Assured in the defense of those causes of action which allege matters not covered by this Guarantee.
 - (c) Whenever the Company shall have brought an action or interposed a defense as permitted by the provisions of this Guarantee, the Company may pursue any litigation to final determination by a court of competent jurisdiction and expressly reserves the right, in its sole discretion, to appeal from an adverse judgment or order.
 - (d) In all cases where this Guarantee permits the Company to prosecute or provide for the defense of any action or proceeding, an Assured shall secure to the Company the right to so prosecute or provide for the defense of any action or proceeding, and all appeals therein, and permit the Company to use, at its option, the name of such Assured for this purpose. Whenever requested by the Company, an Assured, at the Company's expense, shall give the Company all reasonable aid in any action or proceeding, securing evidence, obtaining witnesses, prosecuting or defending the action or lawful act which in the opinion of the Company may be necessary or desirable to establish the title to the estate or interest as stated herein, or to establish the lien rights of the Assured. If the Company is prejudiced by the failure of the Assured to furnish the required cooperation, the Company's obligations to the Assured under the Guarantee shall terminate.
6. **Proof of Loss or Damage** – In addition to and after the notices required under Section 3 of these Conditions and Stipulations have been provided to the Company, a proof of loss or damage signed and sworn to by the Assured shall be furnished to the Company within ninety (90) days after the Assured shall ascertain the facts giving rise to the loss or damage. The proof of loss or damage shall describe the matters covered by this Guarantee which constitute the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage. If the Company is prejudiced by the failure of the Assured to provide the required proof of loss or damage, the Company's obligation to such Assured under the Guarantee shall terminate. In addition, the Assured may reasonably be required to submit to examination under oath by any authorized representative of the Company and shall produce for examination, inspection and copying, at such reasonable times and places as may be designated by any authorized representative of the Company, all records, books, ledgers, checks, correspondence and memoranda, whether bearing a date before or after Date of Guarantee, which reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the Assured shall grant permission, in writing, for any authorized representative of the Company to examine, inspect and copy all records, books, ledgers, checks, correspondence and memoranda in the custody or control of a third party, which reasonably pertain to the loss or damage. All information designated as confidential by the Assured provided to the Company pursuant to this Section shall not be disclosed to others unless, in the reasonable judgment of the Company, it is necessary in the administration of the claim. Failure of the Assured to submit for examination under oath, produce other reasonably requested information or grant permission to secure reasonably necessary information from third parties as required in the above paragraph, unless prohibited by law or governmental regulation, shall terminate any liability of the Company under this Guarantee to the Assured for that claim.
7. **Options to Pay or Otherwise Settle Claims; Termination of Liability** – In case of a claim under this Guarantee, the Company shall have the following additional options:
- (a) **To Pay or Tender Payment of the Amount of Liability or to Purchase the Indebtedness.**
The Company shall have the option to pay or settle or compromise for or in the name of the Assured any claim which could result in loss to the Assured within the coverage of this Guarantee, or to pay the full amount of this Guarantee or, if this Guarantee is issued for the benefit of a holder of a mortgage or a lienholder, the Company shall have the option to purchase the indebtedness secured by said mortgage or said lien for the amount owing thereon, together with any

costs, reasonable attorneys' fees and expenses incurred by the Assured claimant which were authorized by the Company up to the time of purchase.

Such Purchase, payment or tender of payment of the full amount of the Guarantee shall terminate all liability of the Company hereunder. In the event after notice of claim has been given to the Company by the Assured the Company offers to purchase said indebtedness, the owner of the indebtedness shall transfer and assign said indebtedness, together with any collateral security, to the Company upon payment of the purchase price.

Upon the exercise by the Company of the option provided for in Paragraph (a) the Company's obligation to the Assured under this Guarantee for the claimed loss or damage, other than to make the payment required in that paragraph, shall terminate, including any obligation to continue the defense or prosecution of any litigation for which the Company has exercised its option under Paragraph 5, and the Guarantee shall be surrendered to the Company for cancellation.

(a) To Pay or Otherwise Settle With Parties Other Than the Assured or With the Assured Claimant.

To Pay or otherwise settle with other parties for or in the name of an Assured claimant any claim assured against under this Guarantee, together with any costs, attorneys' fees and expenses incurred by the Assured claimant which were authorized by the Company up to the time of payment and which the Company is obligated to pay.

Upon the exercise by the Company of the option provided for in Paragraph (b) the Company's obligation to the Assured under this Guarantee for the claimed loss or damage, other than to make the payment required in that paragraph, shall terminate, including any obligation to continue the defense or prosecution of any litigation for which the Company has exercised its options under Paragraph 5.

8. Determination and Extent of Liability - This Guarantee is a contract of Indemnity against actual monetary loss or damage sustained or incurred by the Assured claimant who has suffered loss or damage by reason of reliance upon the assurances set forth in this Guarantee and only to the extent herein described, and subject to the exclusions stated in Paragraph 2.

The liability of the Company under this Guarantee to the Assured shall not exceed the least of:

- (a) the amount of liability stated in Schedule A;
- (b) the amount of the unpaid principal indebtedness secured by the mortgage of an Assured mortgagee, as limited or provided under Section 7 of these Conditions and Stipulations or as reduced under Section 10 of these Conditions and Stipulations, at the time the loss or damage assured against by this Guarantee occurs, together with interest thereon; or
- (c) the difference between the value of the estate or interest covered hereby as stated herein and the value of the estate or interest subject to any defect, lien or encumbrance assured against by this Guarantee.

9. Limitation of Liability -

- (a) If the Company establishes the title or removes the alleged defect, lien or encumbrance, or cures any other matter assured against by this Guarantee in a reasonably diligent manner by any method, including litigation and the completion of any appeals therefrom, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused thereby.
- (b) In the event of any litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals therefrom, adverse to the title, as stated herein.
- (c) The Company shall not be liable for loss or damage to any Assured for liability voluntarily assumed by the Assured in settling any claim or suit without the prior written consent of the Company.

10. Reduction of Liability or Termination of Liability - All payments under this Guarantee, except payments made for costs, attorneys' fees and expenses pursuant to paragraph 5 shall reduce the amount of liability pro tanto.

11. Payment of Loss -

- (a) No payment shall be made without producing this Guarantee for endorsement of the payment unless the Guarantee has been lost or destroyed, in which case proof of loss or destruction shall be furnished to the satisfaction of the Company.
- (b) When liability and the extent of loss or damage has been definitely fixed in accordance with these Conditions and Stipulations, the loss or damage shall be payable within thirty (30) days thereafter.

12. Subrogation Upon Payment or Settlement - Whenever the Company shall have settled and paid a claim under this Guarantee, all right of subrogation shall vest in the Company unaffected by any act of the Assured claimant.

The Company shall be subrogated to and be entitled to all rights and remedies which the Assured would have had against any person or property in respect to the claim had this Guarantee not been issued. If requested by the Company, the Assured shall transfer to the Company all rights and remedies against any person or property necessary in order to perfect this right of subrogation. The Assured shall permit the Company to sue, compromise or settle in the name of the Assured and to use the name of the assured in any transaction or litigation involving these rights or remedies.

If a payment on account of a claim does not fully cover the loss of the Assured the Company shall be subrogated to all rights and remedies of the Assured after the Assured shall have recovered its principal, interest and costs of collection.

13. Arbitration - Unless prohibited by applicable law, either the Company or the Assured may demand arbitration pursuant to the Title Insurance Arbitration Rules of the American Arbitration Association. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the Assured arising out of or relating to this Guarantee, any service of the Company in connection with its issuance or the breach of a Guarantee provisions or other obligation. All arbitrable matters when the Amount of Liability is \$1,000,000 or less shall be arbitrated at the option of either the Company or the Assured. All arbitrable matters when the amount of liability is in excess of \$1,000,000 shall be arbitrated only when agreed to by both the Company and the Assured. The Rules in effect at Date of Guarantee shall be binding upon the parties. The award may include attorneys' fees only if the laws of the state in which the land is located permits a court to award attorneys' fees to a prevailing party. Judgement upon the award rendered by the Arbitrator(s) may be entered in any court having jurisdiction thereof. The law of the situs of the land shall apply to an arbitration under the Title Insurance Arbitration Rules. A copy of the Rules may be obtained from the Company upon request.

14. Liability Limited to This Guarantee; Guarantee Entire Contract

- (a) This Guarantee together with all endorsements, if any, attached hereto by the Company is the entire Guarantee and contract between the Assured and the Company. In interpreting any provision of this Guarantee, this Guarantee shall be construed as a whole.
- (b) Any claim of loss or damage, whether or not based on negligence, or any action asserting such claim, shall be restricted to this Guarantee.
- (c) No amendment of or endorsement to this Guarantee can be made except by a writing endorsed hereon or attached hereto signed by either the President, a Vice President, the Secretary, an Assistant Secretary, or validating officer or authorized signatory of the Company.

15. Notices, Where Sent - All notices required to be given the Company and any statement in writing required to be furnished the Company shall include the number of this Guarantee and shall be addressed to the Company at P.O. Box 2029, Houston, Texas 77252-2029.

LITIGATION GUARANTEE

SCHEDULE A

Order Number: 173933

Guarantee No.: LG- 2226-2351

Date of Guarantee: April 21, 2008 at 8:30 AM

Amount of Liability: \$196,000.00

Premium: \$768.00

1. Name of Assured:

DOUGLAS HALES

2. The estate or interest in the land hereinafter described or referred to covered by this Guarantee is:

Fee Simple

3. Title to said estate or interest at the date hereof is vested in:

HUNTER CREST TWIN OAKS, LLC., a Washington Limited Liability Company

4. The land referred to in this Guarantee is situated in the State of Washington, County of Pierce, and is described as follows:

See Legal Description attached hereto as Exhibit "A"

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE LIMITS OF LIABILITY AND OTHER PROVISIONS OF THE CONDITIONS AND STIPULATIONS HERETO ANNEXED AND MADE A PART OF THIS GUARANTEE.

Guarantee No: LG-2226-2351

The logo for Stewart Title Guaranty Company features the word "stewart" in a bold, lowercase, sans-serif font. To the left of "stewart" is a square icon with a horizontal line extending from its right side. Below "stewart" is the phrase "title guaranty company" in a smaller, lowercase, sans-serif font.

stewart
title guaranty company

LITIGATION GUARANTEE

EXHIBIT "A"

Beginning 193.25 feet North of the Southeast corner of the Northeast quarter of Section 34,
Township 20 North, Range 2 East, W.M., in Pierce County, Washington;
THENCE South 89°20' West 277.78 feet;
THENCE Northerly along the East line of the MANITOU-CUSTER ROAD 100 feet;
THENCE North 89°20' East 277.67 feet;
THENCE South 0°16' East 100 feet to the Point of Beginning;

EXCEPT the East 120 feet thereof.

Situate in the County of Pierce, State of Washington.

Guarantee No: LG-2226-2351

The logo for Stewart Title Guaranty Company. It features the word "stewart" in a bold, lowercase, sans-serif font. To the left of "stewart" is a square symbol with an arrow pointing to the right. Below "stewart" is the phrase "title guaranty company" in a smaller, lowercase, sans-serif font.

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title guaranty company

LITIGATION GUARANTEE

SCHEDULE B

Order Number: 173933

Guarantee No.: LG-6305-2351

GENERAL EXCEPTIONS FROM COVERAGE

1. Rights or claims of parties in possession not shown by the public records
2. Encroachments, overlaps, boundary line disputes and any other matters which would be disclosed by an accurate survey and inspection of the premises.
3. Easements or claims of easements not shown by the public records.
4. Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the public records.
5. Liens under the Workman's Compensation Act not shown by the public records.
6. Any service, installation, connection, maintenance or construction charges for sewer, water, electricity or garbage removal.
7. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water.
8. Indian tribal codes or regulations, Indian treaty or aboriginal rights, including, but not limited to, easements or equitable servitudes.
9. **GENERAL TAXES, SPECIAL ASSESSMENTS AND SPECIAL LEVIES.**

End of General Exceptions

Guarantee No: LG-2226-2351

The logo for Stewart Title Guaranty Company features the word "stewart" in a bold, lowercase, sans-serif font. To the left of the "t" is a square symbol with an L-shaped line extending from its bottom-left corner. Below "stewart" is the text "title guaranty company" in a smaller, lowercase, sans-serif font, with a small arrow pointing to the right from the end of the word "title".

stewart
title guaranty company

LITIGATION GUARANTEE

SCHEDULE C

Order Number: 173933

Guarantee No.: LG-6305-2351

Special Exceptions:

1. Covenants, Conditions, Restrictions, Easements and liability, if any, for Assessments, Liens or Charges, but omitting any covenant or restrictions if any, based upon race, color, religion, sex, handicap, familial status, or national origin unless and only to the extent that said covenant (a) is exempt under Chapter 42, Section 3607 of the United States Code or (b) relates to handicap but does not discriminate against handicapped persons, as contained in declaration of restrictions.

Recording No. 1399217

A copy of said instrument is available upon request.

2. Easement, including the terms, covenants and provisions as may be contained therein, granted/reserved by instrument

Recorded: May 25, 2007

Recording No.: 200705250723

Records of Pierce County, Washington

In favor of: CITY OF TACOMA, DEPARTMENT OF PUBLIC UTILITIES,
LIGHT DIVISION (DBA TACOMA POWER)

For: Utilities

3. Easement, including the terms, covenants and provisions as may be contained therein, granted/reserved by instrument

Recorded: January 11, 2008

Recording No.: 200801110539

Records of Pierce County, Washington

In favor of: PUGET SOUND ENERGY, INC., a Washington Corporation

For: A non-exclusive perpetual easement

Guarantee No: LG-2226-2351



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title guaranty company

LITIGATION GUARANTEE

4. DEED OF TRUST given to secure an indebtedness in the amount shown below and any interest, advances or other obligations secured thereby;

Amount: \$193,000.00
 Dated: January 26, 2007
 Recorded: February 22, 2007, under
 Recording No.: 200702220069
 Grantor: DANIEL HUNTER
 Trustee: FIRST AMERICAN TITLE INSURANCE COMPANY, a
 Washington Corporation
 Beneficiary: WASHINGTON MUTUAL BANK, a Federal Association

NORTHWEST TRUSTEE SERVICES, INC., a Washington Corporation was appointed new Trustee under the above Deed of Trust in place of previous Trustee by instrument recorded April 3, 2006, under Recording No. 200604030206.

5. DEED OF TRUST given to secure an indebtedness in the amount shown below and any interest, advances or other obligations secured thereby;

Amount: \$100,000.00
 Dated: April 4, 2008
 Recorded: April 9, 2008, under
 Recording No.: 200804090370
 Grantor: HUNTER CREST TWIN OAKS, LLC
 Trustee: DANIEL JACOBSON, Attorney at Law
 Beneficiary: RABAN CONTRACTOR SERVICES, LLC

6. DEED OF TRUST given to secure an indebtedness in the amount shown below and any interest, advances or other obligations secured thereby;

Amount: \$140,000.00
 Dated: April 4, 2008
 Recorded: April 9, 2008, under
 Recording No.: 200804090371
 Grantor: HUNTER CREST TWIN OAKS, LLC
 Trustee: DANIEL JACOBSON, Attorney At Law
 Beneficiary: DOUGLAS W. HALES

Guarantee No: LG-2226-2351

 **stewart**
 title guaranty company

LITIGATION GUARANTEE

7. GENERAL TAXES

Year:	2008
Amount Billed:	\$2,120.17
Amount Paid:	\$0.00
Amount Due:	\$2,120.17
Parcel No.:	02-20-34-1-077
Affects:	Said premises

NOTE: Upon request **WITHIN 60 DAYS** from the effective date of this Guarantee, the Company will extend the effective date of this Guarantee by Endorsement to include Notice of Trustee's Sale without further charge.

NOTE: This Company will, upon request of the Trustee or his attorney, on the 30th day preceding the date set for the Trustee's Sale give a verbal report (to be followed immediately by Endorsement) advising on the filing or non-filing of federal tax liens, bankruptcies and financing statements affecting the premises under examination. (THE RESPONSIBILITY, HOWEVER, FOR DETERMINING THE "30TH DAY" BEFORE THE SALE AND MAKING THE REQUEST ON THAT SAME DAY IS TO BE BORNE BY THE TRUSTEE OR HIS ATTORNEY.)

NOTE: Attention is called to the Servicemembers Civil Relief Act 50 USCS Appx 501 et seq. which contains inhibitions against the foreclosure of lands if the owner is entitled to the benefits of said Act.

END OF SPECIAL EXCEPTIONS

Puget Sound Title Company
5350 Orchard Street W.
University Place WA 98467
(253) 474-4747

Guarantee No: LG-2226-2351

The logo for Stewart Title Guaranty Company features the word "stewart" in a bold, lowercase, sans-serif font. To the left of "stewart" is a square outline with an arrow pointing to the right, which then points to the words "title guaranty company" in a smaller, lowercase, sans-serif font.

stewart
title guaranty company

APPENDIX 9

PIERCE COUNTY ASSESSOR
ELECTRONIC PROPERTY PROFILE
CP 378



Pierce County Assessor-Treasurer
 Secure Property
 Information Profile (PIP)



Ken Madsen
 Assessor-Treasurer

Pierce County Home | **Assessor-Treasurer Home** | **Parcel Search** | **Sales Search** | **Recorded Documents** | **Permits**

Summary Taxes/Values Land Buildings Sales Map

Parcel Summary for 0220341077

02/05/2007 08:10 AM

Taxpayer Details

Taxpayer Name: HUNTER CREST TWIN OAKS LLC
Mailing Address: 1505 N 10TH ST
 TACOMA WA 98403

Property Details

Parcel Number: 0220341077
Site Address: 8719 CUSTER RD SW
Account Type: Real Property
Category: Land and Improvements
Use Code: 1101-SINGLE FAMILY DWELLING

Appraisal Details

Value Area: PI Year 6
Appr Acct Type: Residential
Business Name:

Tax/Assessment

Current Tax Year: 2007
Taxable Value: 160,500
Assessed Value: 160,500

Related Parcels

Group Account Number: n/a
Mobile/MFG Home and Personal Property n/a
 parcel(s) located on this parcel:
Real parcel on which this parcel is located: n/a

Tax Description

Section 34 Township 20 Range 02 Quarter 14 : BEG 193.24 FT N OF SE COR OF NE TH S S9 DEG 20 MIN W 277.70 FT TH NLY ALG
 LI OF MANITOU CUSTER RD 100 FT TH N 89 DEG 20 MIN E 277.67 FT TH S 00 DEG 16 MIN E 100 FT TO BEG EXC E 120 FT

I acknowledge and agree to the prohibitions listed in RCW 42.17.260(9) against releasing and/or using lists of individuals for commercial purposes. Neither Pierce County nor the Assessor-Treasurer warrants the accuracy, reliability or timeliness of any information in this system, and shall not be held liable for losses caused by using this information. Portions of this information may not be current or accurate. Any person or entity who relies on any information obtained from this system, does so at their own risk. **All critical information should be independently verified.**

Pierce County Assessor-Treasurer
Ken Madsen
 2401 South 35th St Room 142
 Tacoma, Washington 98409
 (253)798-6111 or Fax (253)798-3142
www.piercecountywa.org/atr

(c) 2007 Pierce County Assessor-Treasurer



Pierce County Assessor-Treasurer
**Electronic Property
 Information Profile (e-PIP)**

Ken Madsen
 Assessor-Treasurer

Pierce County Home | Assessor-Treasurer Home | Parcel Search | Sales Search | Recorded Documents | Permits

Summary Taxes/Values Land Buildings Sales Map

Taxes / Values for 0220341077

02/05/2007 08:10 AM

Taxpayer Details

Taxpayer Name: HUNTER CREST TWIN OAKS LLC
Mailing Address: 1505 N 10TH ST
 TACOMA WA 98403

Property Details

Parcel Number: 0220341077
Site Address: 8719 CUSTER RD SW
Account Type: Real Property
Category: Land and Improvements
Use Code: 1101-SINGLE FAMILY DWELLING

Assessed Values

Tax Year	Taxable Value	Assessed Total	Assessed Land	Assessed Building	Current Use Land	Personal Property	NOV Mail Date
2007	160,500	160,500	85,000	75,500	0	0	06/12/2006
2006	137,300	137,300	56,700	80,600	0	0	06/06/2005
2005	118,700	118,700	49,300	69,400	0	0	06/01/2004
2004	109,100	109,100	44,800	64,300	0	0	07/18/2003
2003	105,900	105,900	44,800	61,100	0	0	0
2002	106,700	106,700	45,600	61,100	0	0	0

Current Charges

Balance Due: 0.00 Minimum Due: 0.00 as of 02/05/2007

Exemptions

No exemptions

For questions regarding any electronic payments you may have made, please contact
 Official Payments Corporation at 1-800-487-4567

Tax Code Areas

Paid Charges

Tax Year	Charge Type	Amount Paid	Tax Year	TCA	Rate
2006	Property Tax Principal	1,794.18	2006	760	13.067571
	Weed Control Principal	1.39	2005	760	14.550684
	Surface Water Management Principal	77.40	2004	760	15.058074
	Pierce Conservation District Principal	5.00	2003	760	14.995800
	Total 2006	1,877.97	2002	760	14.326200
2005	Property Tax Principal	1,727.17	Receipts		
	Weed Control Principal	1.39	Date	Number	Amount Applied
	Surface Water Management Principal	86.00	09/05/2006	3094606	938.99
	Pierce Conservation District Principal	5.00	04/24/2006	2924558	938.98
	Total 2005	1,819.56	10/20/2005	2586744	909.78
2004	Property Tax Principal	1,642.83	04/21/2005	2355569	909.78
	Weed Control Principal	1.39	11/08/2004	2183856	867.61
	Surface Water Management Principal	86.00	05/06/2004	1917360	867.61
	Pierce Conservation District Principal	5.00	11/03/2003	1615159	840.17
	Total 2004	1,735.22	ULID Information		
2003	Property Tax Principal	1,588.05	Click here for ULID information		
	Weed Control Principal	1.79			
	Surface Water Management Principal	91.00			
	Total 2003	1,680.34			
2002	Property Tax Principal	1,528.61			
	Property Tax Interest	8.18			
	Weed Control Principal	1.29			

Surface Water Management Principal

106.00

Total 2002

1,644.08

I acknowledge and agree to the prohibitions listed in RCW 42.17.260(9) against releasing and/or using lists of individuals for commercial purposes. Neither Pierce County nor the Assessor-Treasurer warrants the accuracy, reliability or timeliness of any information in this system, and shall not be held liable for losses caused by using this information. Portions of this information may not be current or accurate. Any person or entity who relies on any information obtained from this system, does so at their own risk. *All critical information should be independently verified.*

Pierce County Assessor-Treasurer
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www.piercecountywa.org/at

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APPENDIX 10

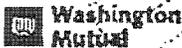
WASHINGTON MUTUAL BANK
REVISED DEED OF TRUST
(With Legal Description & HCTO Reference)

CP 17-24



200702220069 8 PGS
02/22/2007 10:12am \$40.00
PIERCE COUNTY, WASHINGTON

Recording requested by and
when recorded return to:
WASHINGTON MUTUAL BANK
FIRST AMERICAN LENDERS ADVANTAGE
1100 SUPERIOR AVENUE SUITE 200
CLEVELAND, OH 44114
ATTN: FACT DEPARTMENT



**WaMu Equity Plus™
DEED OF TRUST**

Loan Number: 0749632881

11424496

THIS DEED OF TRUST (Security Instrument) is between:
DANIEL HUNTER

whose address is:

8719 CUSTER RD SW LAKEWOOD, WA 98499-2103

("Grantor"); FIRST AMERICAN TITLE INS. CO. a WASHINGTON corporation, the
address of which is:

2101 FOURTH AVE SUITE 800 SEATTLE, WA 98121

("Trustee"), and
WASHINGTON MUTUAL BANK, A FEDERAL ASSOCIATION, WHICH IS ORGANIZED AND
EXISTING UNDER THE LAWS OF THE UNITED STATES OF AMERICA AND WHOSE ADDRESS IS
2273 N GREEN VALLEY PARKWAY, SUITE #14, HENDERSON, NV 89014 ("BENEFICIARY") AND
ITS SUCCESSORS OR ASSIGNS.

1. Granting Clause. Grantor hereby grants, bargains, sells and conveys to Trustee in trust,
with power of sale, the real property in PIERCE County, Washington, described
below and all rights and interest in it Grantor ever gets:
8719 CUSTER RD SW LAKEWOOD, WA 98499-2103
SEE ATTACHED EXHIBIT A

Tax Parcel Number: SEE ATTACHED EXHIBIT A together with all

For reference only, not for re-sale.

10

0749632881

insurance proceeds and condemnation proceeds related to it; 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 the property described above is called the "Property." If any of the Property is personal property, this Deed of Trust is also a Security Agreement which grants Beneficiary, as secured party, a security interest in all such property. Despite any other provision of this Deed of Trust, however, Beneficiary is not granted and will not have a nonpurchase money security interest in household goods, to the extent such security interest would be prohibited by applicable law. As used herein, "State" shall refer to the State of Washington.

2. **Obligation Secured.** This Deed of Trust is given to secure performance of each promise of Grantor contained herein and in a WaMu Equity Plus(TM) Agreement and Disclosure with Beneficiary with a maximum credit limit of \$193,000.00 (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 variable and fixed rates 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 amounts due under the Credit Agreement and this Deed of Trust are 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 presently and will not during the term of this Deed of Trust be used for any agricultural 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 to keep the Property free of all encumbrances which may impair Beneficiary's security. It is agreed that if anyone asserts the priority of any encumbrance other than those described in Section 3(a) over this Deed of Trust in any pleading filed

For reference only, not for re-sale.

0749632881

in any action, the assertion alone shall be deemed to impair the lien of this Deed of Trust for purposes of this Section 4(e);

(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. The amount collected under any insurance policy may be applied upon any indebtedness hereby secured in the same manner as payments under the Note or, at Beneficiary's sole option, released to Grantor. In the event of foreclosure or sale of the Property pursuant to the Trustee's power of sale, all rights of the Grantor in insurance policies then in force shall pass to the purchaser at the Sheriff's or Trustee's sale;

(g) To sign all financing statements and other documents that Beneficiary may request from time to time to perfect, protect and continue Beneficiary's security interest in the Property. Grantor irrevocably appoints Beneficiary as Grantor's attorney-in-fact to execute, file and record any financing statements or similar documents in Grantor's name and to execute all documents necessary to transfer title if there is a default; and

(h) To advise Beneficiary immediately in writing of any change in Grantor's name, address or employment.

5. **Sale, Transfer or Further Encumbrance of Property.** Loan is personal to Grantor and the entire Debt shall become immediately due and payable in full upon sale or other transfer of the Property or any interest therein by Grantor by contract of sale or otherwise including, without limit, any further encumbrance of 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. At Beneficiary's option, advance may be made against the Credit Agreement to pay amounts due hereunder. Such shall not relieve Grantor from liability for failure to fulfill the covenants in Section 4. 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. Although Beneficiary may take action under this paragraph, Beneficiary is not obligated to do so.

7. **Remedies For Default.**

(a) Prompt performance under this Deed of Trust is essential. If Grantor does not pay any installment of the Debt or other amount due hereunder on time, any other event occurs that entitles Beneficiary to declare the unpaid balance of the Debt due and payable in full under the Credit Agreement, if Grantor fails to comply with any other term, condition, obligation or covenant contained in the Credit Agreement or this Deed of Trust or any rider thereto, any other deed of trust, mortgage, trust indenture or security agreement or other instrument having priority over this Deed of Trust or if any representation of Grantor herein was false or misleading, 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, and the total amount owed by Grantor shall thereafter bear interest at the rate(s) stated in the Credit Agreement. Beneficiary may then or thereafter advise Trustee of the default and of Beneficiary's election to have the Property sold pursuant to Trustee's power of sale in accordance with applicable law and deliver to Trustee any documentation as may be required by law. After giving any notices and the time required by applicable law,

For reference only, not for re-sale.

0749632881

Trustee shall sell the Property, either in whole or in separate parcels or other part and in such order as Trustee may choose, at public auction to the highest bidder for cash in lawful money of the United States which will be payable at the time of sale, all in accordance with applicable law. Anything in the preceding sentence to the contrary notwithstanding, Beneficiary may apply the Debt towards any bid at any such sale. Trustee may postpone any such sale by providing such notice as may be required by law. Unless prohibited by law, any person, including the Grantor, Beneficiary or Trustee, may purchase at any such 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; and (iii) the surplus, if any, shall go to the person(s) legally entitled thereto or, at Trustee's discretion, to the government or other official authorized by State law to accept such amounts.

(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 had the power to convey at the time of execution of this Deed of Trust and any interest which Grantor subsequently acquired. The 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) To the extent permitted by law the power of sale conferred by this Deed of Trust is not an exclusive remedy. Beneficiary may cause this Deed of Trust to be judicially foreclosed or sue on the Credit Agreement or take any other action available in equity or at law. In connection with any portion of the Property which is personal property, Beneficiary shall further be entitled to exercise the rights of a secured party under the Uniform Commercial Code as then in effect in the State of Washington.

(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 obligation secured by this Deed of Trust, shall be paid to Beneficiary to be applied to the obligation in the same manner as payments under the Credit Agreement.

9. Fees and Costs. Grantor shall pay Beneficiary's and Trustee's reasonable costs of searching records, other reasonable expenses as allowed by law and reasonable attorney's fees in any lawsuit or other proceeding to foreclose this Deed of Trust, in any lawsuit or proceeding which Beneficiary or Trustee prosecutes or defends to protect the lien of this Deed of Trust, in any other action taken by Beneficiary to collect the Debt, including without limitation any disposition of the Property under the State Uniform Commercial Code, and any action taken in bankruptcy proceedings as well as any appellate proceedings.

10. Reconveyance. Trustee shall reconvey the Property to the person entitled thereto on written request of Beneficiary or following satisfaction of the obligations secured hereby and Beneficiary and Trustee shall be entitled to charge Grantor a reconveyance fee together with fees for the recordation of the reconveyance documents, unless prohibited by law.

11. Trustee; Successor Trustee. Beneficiary may, unless prohibited by law, appoint a successor Trustee from time to time in the manner provided by law. The successor Trustee shall be vested with all powers of the original Trustee. The Trustee is not obligated to notify any party

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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. Savings Clause. If a law which applies to this Deed of Trust or the Credit Agreement and which sets maximum loan charges is finally interpreted by a court having jurisdiction so that the interest or other loan charges collected or to be collected in connection with this Deed of Trust or the Credit Agreement exceed the permitted limits, then: (i) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (ii) any sums already collected from Grantor which exceeded permitted limits will be refunded to Grantor. Beneficiary may choose to make this refund by reducing the principal owed or by making a direct payment. If a refund reduces the principal, the reduction will be treated as a partial prepayment.

13. Miscellaneous. This Deed of Trust shall benefit and obligate the heirs, devisees, legatees, administrators, executors, successors and assigns of the parties hereto. The term "Beneficiary" shall mean the holder and owner of the Credit Agreement 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. This Deed of Trust shall be governed by and construed in accordance with federal law and, to the extent federal law does not apply, the laws of the State of Washington. If any provision of this Deed of Trust is determined to be invalid under law, the remaining provisions of this Deed of Trust shall nonetheless remain in full force and effect.

14. Beneficiary and Similar Statements. Beneficiary may collect a fee in the maximum amount allowed by law for furnishing any beneficiary statement, payoff demand statement or similar statement.

15. Riders. If one or more riders are executed by Grantor 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)]

- Condominium Rider
- Other: _____ (specify)
- Planned Unit Development Rider

For reference only, not for re-sale.

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By signing below, Grantor accepts and agrees to the provisions of this Deed of Trust and any rider(s) executed by Grantor concurrently therewith.

DATED at Wakarusa, NA this 24 day of January, 2007.

GRANTOR(S):



DANIEL HUNTER

For reference only, not for re-sale.

UNRECORDED DEED OF TRUST DOCUMENT

0749632881

STATE OF WASHINGTON)
) SS
COUNTY OF Pierce)

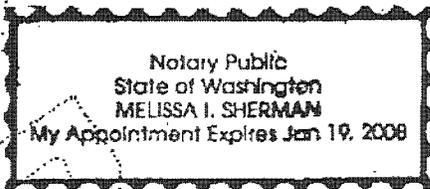
On this day, personally appeared before me :
DANIEL HUNTER

_____ and
_____ and
_____ and
_____ and
_____ and
_____ and

to me known to be the individuals described in and who executed the within and foregoing instrument and acknowledge 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 26 day of January, 2007.

Melissa I. Sherman
Notary Public in and for the State of Washington
Residing at: Tacoma, WA
My Commission expires: Jan 19, 2008



REQUEST FOR FULL RECONVEYANCE
Do not record. To be used only when Grantor's
indebtedness has been repaid and Credit Agreement cancelled.

TO: TRUSTEE _____

The undersigned is Beneficiary of the within Deed of Trust, and the legal owner and holder of the WaMu Equity Plus(TM) Agreement secured thereby. Said Deed of Trust is hereby surrendered to you for reconveyance and you are requested, upon payment of all sums owing to you, to reconvey without warranty, to the person(s) entitled thereto the right, title and interest now held by you thereunder.

DATED _____

WASHINGTON MUTUAL BANK
By _____
Its _____

For reference only, not for re-sale.

EXHIBIT A

BEGINNING 193.25 FEET NORTH OF THE SOUTHEAST CORNER OF THE
NORTHEAST QUARTER OF SECTION 34, TOWNSHIP 20 NORTH, RANGE 2
EAST, WILLAMETTE MERIDIAN, IN PIERCE COUNTY, WASHINGTON;
THENCE SOUTH 89 DEGREES 20 MINUTES WEST 277.78 FEET;
THENCE NORTHERLY ALONG THE EAST LINE OF THE MANITOU-CUSTER
ROAD, 100 FEET;
THENCE NORTH 89 DEGREES 20 MINUTES EAST 277.67 FEET;
THENCE SOUTH 0 DEGREES 16 MINUTES EAST 100 FEET TO THE POINT
OF BEGINNING;
EXCEPT THE EAST 120 FEET THEREOF.

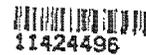
SITUATED IN THE COUNTY OF PIERCE AND STATE OF WASHINGTON.

ABBRV. LEGAL:

193.25 FT N SE COR NE 1/4 SEC 34 T20N R2E W.M.

Permanent Parcel Number: 0220341077
HUNTER CREST TWIN OAKS, LLC

8719 CUSTER ROAD SOUTHWEST, LAKEWOOD WA 98499
Loan Reference Number : 749632881/8560
First American Order No: 11424496
Identifier: FIRST AMERICAN LENDERS ADVANTAGE

 HUNTER
11424496 WA
FIRST AMERICAN LENDERS ADVANTAGE
DEED OF TRUST



For reference only, not for re-sale.

Unrecorded
Document

APPENDIX 11

HUNTER CREST TWIN OAKS, LLC
BANKRUPTCY PETITION NO. 09-44319-BDL
DOCKET REPORT

**U.S. Bankruptcy Court
Western District of Washington (Tacoma)
Bankruptcy Petition #: 09-44319-BDL**

Assigned to: Brian D Lynch
Chapter 7
Voluntary
No asset

Date filed: 06/18/2009
Date terminated: 12/08/2011

Debtor disposition: Discharge Not Applicable

Debtor

Hunter Crest Twin Oaks LLC
1004 North Cushman Avenue
Tacoma, WA 98403
PIERCE-WA

represented by **David C. Smith**

Attorney at Law
201 St Helens Ave
Tacoma, WA 98402
253-272-4777
Email: assistant@davidsmithlaw.com

Douglas W Hales

210 Union Ave SE Ste 6
Olympia, WA 98501
360-528-2972
Fax : 360-528-2974
Email: dougashales@yahoo.com

Trustee

Kathryn A Ellis
600 Stewart St Ste 1300
Seattle, WA 98101
206-682-5002

represented by **Kathryn A Ellis**

Attorney at Law
600 Stewart St Ste 1300
Seattle, WA 98101
206-682-5002
Email: kae@seanet.com

US Trustee

United States Trustee
700 Stewart St Ste 5103
Seattle, WA 98101
(206) 553-2000

Filing Date	#	Docket Text
06/18/2009	31	Chapter 7 Voluntary Petition . Statement of Financial Affairs due 07/6/2009. Schedules A-J due 07/6/2009. Summary of schedules due 07/6/2009. Incomplete Filings due by 07/6/2009. Filed by David C Smith on behalf of Hunter Crest Twin Oaks LLC (Smith, David) Modified on 6/18/2009 (USBC Staff - Tannozzini, Michelle). (Entered: 06/18/2009 at 01:32:21)
06/18/2009		Receipt of filing fee for Chapter 7 Voluntary Petition (09-44319) [misc.1028] (\$ 299.00). Receipt number 10051022. Fee amount \$ 299.00. (U.S. Treasury) (Entered: 06/18/2009 at 01:34:01)

06/18/2009	3 2	Meeting of Creditors & Notice of Appointment of Interim Trustee . With 341(a) meeting to be held on 7/27/2009 at 11:00 AM at Courtroom J, Union Station Proof of Claims due by 10/26/2009, Review Case on: 9/25/2009. (USBC Staff - Tannozzini, Michelle) (Entered: 06/18/2009 at 15:58:13)
06/18/2009	3 3	Notice of Deadline for Schedules, Statements and Lists . (USBC Staff - Tannozzini, Michelle) (Entered: 06/18/2009 at 15:58:30)
06/18/2009	3 4	341 Meeting of Creditors Notice Sent to BNC for Mailing . (USBC Staff - Tannozzini, Michelle) (Entered: 06/18/2009 at 16:09:57)
06/20/2009	3 5	BNC Certificate of Mailing - Meeting of Creditors (Related document(s)4 341 Meeting of Creditors Sent to BNC for Mailing). Service Date 06/20/2009. (Admin.) (Entered: 06/20/2009 at 22:03:52)
06/20/2009	3 6	BNC Certificate of Notice (Related document(s)3 Notice of Deadline for Schedules, Statements and Lists). Service Date 06/20/2009. (Admin.) (Entered: 06/20/2009 at 22:03:52)
07/07/2009	3 7	Debtor's Balance of Schedules . Filed by David C Smith on behalf of Hunter Crest Twin Oaks LI.C. (Related document(s)1 Chapter 7 Voluntary Petition). (Smith, David) (Entered: 07/07/2009 at 05:10:12)
07/09/2009	3 8	Hunter Crest Twin Oaks LI.C Returned Mail with no new Address Re: (Related document(s) 2 Meeting Chapter 7 Business, 3 Notice of Deadline for Schedules, Statements and Lists). (Attachments: 1 Change of Address Form) (USBC Staff - Beushausen, Paul) <i>Debtor's Attorney Notified & Change of Address Form provided.</i> (Entered: 07/09/2009 at 11:10:43)
07/09/2009	3 9	<i>Amended re: Debtor's address only</i> 341 Meeting of Creditors Notice Sent to BNC for Mailing . (USBC Staff - Bowers, Tracy) (Entered: 07/09/2009 at 15:55:04)
07/11/2009	3 10	BNC Certificate of Mailing - Meeting of Creditors (Related document(s)9 341 Meeting of Creditors Sent to BNC for Mailing). Service Date 07/11/2009. (Admin.) (Entered: 07/11/2009 at 21:54:04)
07/27/2009	3	Trustee's Initial Report. The trustee of this estate reports that the meeting of creditors was concluded and the trustee is investigating the existence and location of property of the estate not subject to exemptions or security interests. (Ellis, Kathryn) (Entered: 07/27/2009 at 18:12:08)
11/03/2009	3 11	Trustee's Application to Employ Kathryn A. Ellis as Counsel for Trustee .. Filed by Kathryn A Ellis on behalf of Kathryn A Ellis (Ellis, Kathryn) (Entered: 11/03/2009 at 12:17:16)
11/03/2009	3 12	Declaration of Disinterestedness and Acceptance of Appointment <i>by Kathryn A. Ellis</i> (Related document(s)11 Application to Employ)... Filed by Kathryn A Ellis on behalf of Kathryn A Ellis. (Ellis, Kathryn) (Entered: 11/03/2009 at 12:21:28)
11/03/2009	3 13	Ex Parte Received UNSIGNED Order. Forwarded to Chambers for Judge's Signature <i>on Trustee's Application to Employ Kathryn A. Ellis as Counsel for Trustee.</i> Filed by Kathryn A Ellis on behalf of Kathryn A Ellis. (Related document(s)11 Application to Employ). (Ellis, Kathryn) (Entered: 11/03/2009 at 12:24:15)

11/04/2009	14	Ex Parte ORDER Appointing Kathryn A Ellis as Counsel for Trustee. (Related Doc # 11 Motion to Employ 13 Received Unsigned Order) Signed on 11/4/2009. (USBC Staff - Beushausen, Paul) (Entered: 11/04/2009 at 09:15:32)
01/09/2010	15	Motion for Relief from Stay, <i>Real Property located at 8719 Custer Road SW, Lakewood</i> . Filed by Douglas W Hales on behalf of Hunter Crest Twin Oaks LLC The Hearing date is set for 2/10/2010 at 09:30 AM at Judge Brandt's Courtroom I, Union Station. Response due by 2/3/2010. (Attachments: 1 Pleading Declaration in Support of Motion 2 Exhibit Superior Court Complaint 3 Exhibit Answer 4 Exhibit Notice of Trustee's Sale 5 Exhibit Real Property Appraisal 6 Exhibit Notice of Appeal 7 Proposed Order 8 Notice of Hearing 9 Proof of Service) (Hales, Douglas) Removed duplicate text on 1/11/2010 (USBC Staff - Beushausen, Paul). <i>Notice has two different response dates - Attorney notified on 1/11/2010</i> (Entered: 01/09/2010 at 22:16:37)
01/09/2010		Receipt of filing fee for Motion for Relief from Stay(09-44319-PHB) [motion,185] (150.00). Receipt number 10938483. Fee amount \$ 150.00. (U.S. Treasury) (Entered: 01/09/2010 at 22:22:25)
01/15/2010	16	Amended Notice of Hearing <i>on Motion for Relief from Stay RE: 8719 Custer Rd SW, Lakewood</i> . (Related document(s) 15 Motion for Relief from Stay). The Hearing date is set for 2/10/2010 at 09:30 AM at Judge Brandt's Courtroom I, Union Station. Response due by 2/3/2010. Filed by David C Smith on behalf of Hunter Crest Twin Oaks LLC. (Smith, David) Modified text on 1/15/2010 (USBC Staff - Beushausen, Paul). Modified on 1/20/2010 (USBC Staff - Beushausen, Paul). (Entered: 01/15/2010 at 10:43:53)
02/03/2010	17	Trustee's Response to <i>Debtor's Motion for Relief from Stay RE: Resumption of case number 39168-6-11 in the Washinton State Court of Appeals, Division Two</i> . (Related document(s) 15 Motion for Relief from Stay). Filed by Kathryn A Ellis on behalf of Kathryn A Ellis. (Ellis, Kathryn) Modified text on 2/4/2010 (USBC Staff - Beushausen, Paul). (Entered: 02/03/2010 at 16:30:35)
02/10/2010		Minutes: Motion for Relief from Stay, Real Property located at 8719 Custer Road SW, Lakewood. Filed by Douglas W Hales on behalf of Hunter Crest Twin Oaks LLC (Related document(s) 15 , matter stricken. (USBC Staff - Snarski, Mary) (Entered: 02/12/2010 at 08:45:25)
06/01/2010		NOTICE: Effective June 1, 2010, this case has been reassigned to Bankruptcy Judge Brian D Lynch. (admin ADI) (Entered: 06/02/2010 at 10:00:41)
07/06/2010		Trustee's Interim Report on File With the UST. (USBC Staff - Shaw, Roxanne) (Entered: 07/06/2010 at 13:08:49)
09/28/2010	18	Notice of Change of Address (Suite Number Only) for Attorney <i>Kathryn A Ellis, Attorney at Law</i> (USBC Staff - Tada, Julianne) (Entered: 10/04/2010 at 09:02:50)
05/19/2011		Trustee's Interim Report on File With the UST. (LIT) (Entered: 05/19/2011 at 16:10:41)
12/07/2011		Chapter 7 Trustee's Report of No Distribution: I, Kathryn A Ellis, having been appointed trustee of the estate of the above-named debtor(s), report that I have neither received any property nor paid any money on account of this estate; that I have made a diligent inquiry into the financial affairs of the debtor(s) and the location of the property belonging to the estate; and that there is no property

available for distribution from the estate over and above that exempted by law. Pursuant to Fed R Bank P 5009, I hereby certify that the estate of the above-named debtor(s) has been fully administered. I request that I be discharged from any further duties as trustee. Key information about this case as reported in schedules filed by the debtor(s) or otherwise found in the case record: This case was pending for 30 months. Assets Abandoned (without deducting any secured claims): \$ 375000.00, Assets Exempt: Not Available, Claims Scheduled: \$ 652253.00, Claims Asserted: Not Applicable, Claims scheduled to be discharged without payment (without deducting the value of collateral or debts excepted from discharge): \$ 652253.00. Filed by Kathryn A Ellis on behalf of Kathryn A Ellis. (Ellis, Kathryn) (Entered: 12/07/2011 at 12:09:45)

12/08/2011	3	CLOSED. It appearing to the Court that the Trustee in the above-entitled case has filed a Report of No Distribution and that the said Trustee has performed all other duties required of the Trustee in the administration of said case; now, therefore, IT IS ORDERED that said report be and it hereby is approved and the case is closed; and the Trustee is discharged from and relieved of his/her trust. Mark L. Hatcher. Clerk . (PSB) (Entered: 12/08/2011 at 07:59:26)
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PACER Service Center			
Transaction Receipt			
01/03/2012 09:15:58			
PACER Login:	kg1730	Client Code:	047 080719 4
Description:	Docket Report	Search Criteria:	09-44319-BTD Fil or Ent: filed Doc From 0 Dec To: 99999999 Term: included Links included Headers included Format html
Billable Pages:	3	Cost:	0.24

SMITH LAW FIRM

March 07, 2012 - 4:09 PM

Transmittal Letter

Document Uploaded: 391686-Appellant's Brief.pdf

Case Name:

Court of Appeals Case Number: 39168-6

Is this a Personal Restraint Petition? Yes No

The document being Filed is:

Designation of Clerk's Papers Supplemental Designation of Clerk's Papers

Statement of Arrangements

Motion: ____

Answer/Reply to Motion: ____

Brief: Appellant's

Statement of Additional Authorities

Cost Bill

Objection to Cost Bill

Affidavit

Letter

Copy of Verbatim Report of Proceedings - No. of Volumes: ____

Hearing Date(s): _____

Personal Restraint Petition (PRP)

Response to Personal Restraint Petition

Reply to Response to Personal Restraint Petition

Other: _____

Sender Name: David C Smith - Email: **david@davidsmithlaw.com**

A copy of this document has been emailed to the following addresses:

amarshall@bwmlegal.com

kgoodman@bwmlegal.com

andrew@davidsmithlaw.com