

AFTER RECORDING RETURN TO:
Washington Federal Savings
Burlington Office
PO Box 527
Burlington WA 98233
Attention: _____



200405060063
Skagit County Auditor

5/6/2004 Page 1 of 5 11:09AM

FIRST AMERICAN TITLE CO.

81024-E-3

Loan Number 017 209 287307-3

SHORT FORM DEED OF TRUST

THIS DEED OF TRUST ("Security Instrument") is made May 5th, 2004 between
BROTHERS CUSTOM HOMES, INC., A WASHINGTON CORPORATION

_____ as Grantor ("Borrower"), whose
address is 27788 HOEHN RD, SEDRO-WOOLLEY WA 98284; and
WASHINGTON SERVICES, INC., A WASHINGTON CORPORATION as
trustee, whose address is 6125 SOUTH MORGAN ROAD, FREELAND, WA. 98249,
and WASHINGTON FEDERAL SAVINGS, a United States Corporation, as Beneficiary ("Lender"/
Grantee), whose address is 425 Pike Street, Seattle, Washington 98101.

Borrower hereby irrevocably grants, bargains, sells and conveys to Trustee in trust, with power of sale according to Washington law, all Borrower's estate, right, title, interest, claim and demand, now owned or hereafter acquired, in and to the following described property in SKAGIT County, Washington (the "Property", which term shall include all or any part of the Property, any improvements thereon and all the property described in Paragraph 2 of the Master Form Deed of Trust hereinafter referred to):

SECTION 24, TOWNSHIP 34, RANGE 4; PORTION SW 1/4 AKA PTN
LOT 2 OF SHORT PLAT #PL03-0174 AND PTN LOT 1 SHORT PLAT
#PL-03-533

SEE THE 5th PAGE OF THIS DOCUMENT FOR THE COMPLETE
LEGAL DESCRIPTION ATTACHED AS EXHIBIT "A" AND BY THIS
REFERENCE INCORPORATED HEREIN.

Assessor's Property Tax Parcel Account Number(s): 340424-3-005-0200
340424-3-006-0200

TOGETHER WITH all the tenements, hereditaments and appurtenances, now or hereafter thereunto belonging or in any way appertaining, leases and other agreements for the use and occupancy pertaining thereto, and the rents, issues and profits thereof and all other property or rights of any kind or nature whatsoever further set forth in the Master Form Deed of Trust hereinafter referred to, SUBJECT, HOWEVER, to the right, power and authority hereinafter given to and conferred upon Lender to collect and apply such rents, issues and profits.

This Security Instrument shall constitute a security agreement under the Uniform Commercial Code of Washington between Borrower as debtor and Lender as secured party. Borrower grants a security interest to Lender in any of the Property which is personal property and also grants a security interest in the property described in Paragraph 3 of the Master Form Deed of Trust hereinafter referred to, now owned or hereafter acquired by Borrower (the Property, as defined above, and the property described in said Paragraph 3 are hereafter collectively referred to as the "Collateral").

Borrower's Initials H. S

JS

THIS SECURITY INSTRUMENT IS FOR THE PURPOSE OF SECURING the following:

(a) Payment of the sum of TWO HUNDRED SIXTY TWO THOUSAND AND NO/100S \$262,000.00, with interest thereon according to the terms of a promissory note of even date herewith, payable to Lender or order and made by Borrower (the "Note", which term shall include all notes evidencing the indebtedness secured by this Security Instrument, including all renewals, modifications or extensions thereof);

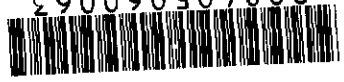
(b) Payment of any further sums advanced or loaned by Lender to Borrower, or any of its successors or assigns, if (1) the Note or other writing evidencing the future advance or loan specifically states that it is secured by this Security Instrument, or (2) the advance, including costs and expenses incurred by Lender, is made pursuant to this Security Instrument or any other documents executed by Borrower evidencing, securing, or relating to the Note and/or the Collateral, whether executed prior to, contemporaneously with, or subsequent to this Security Instrument (this Security Instrument, the Note and such other documents, including any construction loan, land loan or other loan agreement, are hereinafter collectively referred to as the "Loan Documents"), together with interest thereon at the rate set forth in the Note unless otherwise specified in the Loan Documents or agreed to in writing;

(c) Performance of each agreement, term and condition set forth or incorporated by reference in the Loan Documents, including without limitation the loan agreement of even date herewith, which are incorporated herein by reference or contained herein.

THE MATURITY DATE OF THESE SECURED OBLIGATIONS, AS CONTAINED IN THE LOAN DOCUMENTS, INCLUDING THE NOTE, IS May 5th, 2006

By executing and delivering this Security Instrument and the Note secured hereby, the parties agree that all provisions of Paragraphs 1 through 69 inclusive of the Master Form Deed of Trust hereinafter referred to, except such paragraphs as are specifically excluded or modified herein, are hereby incorporated herein by reference and made an integral part hereof for all purposes the same as if set forth herein at length, and the Borrower hereby makes said covenants and agrees to fully perform all of said provisions. The Master Form Deed of Trust above referred to was recorded on the dates below shown, in the Official Records of the offices of the County Auditors or County Recorders of the following counties in the State of Washington according to the enumerated recordation designations appearing below after the name of each county, to wit:

COUNTY	DRAWER, REEL, BOOK OR VOLUME	PAGE NO(S)	FRAME OR RECORDING OR AUDITOR'S FILE NO.	DATE OF RECORDING
ADAMS	229	260-271	239483	October 12, 1995
ASOTIN	636	65-76	217406	October 11, 1995
BENTON	1052	1633-1644	9510120008	October 12, 1995
CHELAN	1111	694-705	729425	October 11, 1995
CLALLAM	3D	712-723	8601	October 11, 1995
COLUMBIA	1213	0637-0648	951012074	October 12, 1995
COWLITZ	M444	09-20	307858	October 12, 1995
DOUGLAS	[M.F. of O.R.]		232892	October 11, 1995
FRANKLIN	0377	0564-0575	524669	October 11, 1995
GARFIELD			3317	October 11, 1995
GRANT	068	1954-1965	951012004	October 11, 1995
GRAYS HARBOR	95	33136-33147	951012026	October 11, 1995
ISLAND	696	1410-1421	95016396	October 11, 1995
JEFFERSON	537	328-339	385505	October 11, 1995
KING			9510100421	October 10, 1995
KITSAP	0879	2392-2403	9510130066	October 13, 1995
KITTITAS	370	717	586108	October 11, 1995
Klickitat	327	218	249676	October 11, 1995
LEWIS	672	350-361	9514582	October 11, 1995
LINCOLN	65	003034-003045	400875	October 11, 1995
MASON	688	144-155	615408	October 11, 1995
OKANOGAN	137	1089-1100	833848	October 11, 1995
PACIFIC	9510	559-570	62332	October 11, 1995
PEND ORIELLE	121	1099-1110	230779	October 12, 1995
PIERCE	1163	2511-2522	9510110478	October 11, 1995
SAN JUAN	525	230-241	95101201	October 12, 1995
SKAGIT	1483	0372-0383	9510110046	October 11, 1995
SKAMANIA	152	860-871	123494	October 11, 1995
SNOMONISH	3081	1623-1634	9510110189	October 11, 1995
SPOKANE	1781	1737-1748	9510110230	October 11, 1995
STEVENS	193	2376-2387	9510157	October 11, 1995
THURSTON	2464	702-713	9510110097	October 11, 1995
WAHAKIACUM	104	0579-0590	45447	October 12, 1995
WALLA WALLA	234	1593-1604	9509789	October 11, 1995
WHATCOM	465	1133-1144	951011197	October 11, 1995
WHITMAN			Microfilm No. 580488	October 11, 1995
YAKIMA	1494	1819-1830	3110734	October 11, 1995



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Skagit County Auditor

LO20-T (WA)

A copy of such Master Form Deed of Trust has been furnished to the person executing this Security Instrument, and by executing this Security Instrument the Borrower acknowledges having received such Master Form Deed of Trust.

The Property which is the subject of this Security Instrument is not used principally or primarily for agricultural or farming purposes.

The undersigned Borrower requests that a copy of any Notice of Default and of any Notice of Sale hereunder, as required by Washington law in case of non-judicial foreclosure of a deed of trust, be mailed to Borrower at Borrower's address as hereinabove set forth.

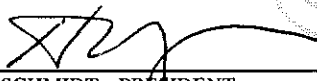
Borrower agrees to obtain all insurance required from time to time by Lender and as elsewhere provided in the Loan Documents, including flood insurance. If Borrower fails to maintain such insurance satisfactory to the Lender, Lender may make the payment on behalf of the Borrower and any sums expended shall be added to principal and bear interest at the rate provided in the Note.

If the box preceding any of the following statements contains an "X", that statement is a part of this Security Instrument. If the box is not so checked, the corresponding statement is not part of this Security Instrument.

- ☐ Paragraph 49 of the Master Form Deed of Trust (which refers to the existence, if any, of an adjustable rate feature in the Note) is hereby deleted.
- ☒ The Note secured hereby evidences a construction loan or land loan but is not a combination Note. Paragraph 53 of the Master Form Deed of Trust is hereby deleted.
- ☐ The Note secured hereby is a combination construction loan/permanent loan Note. Refer to paragraph 53 of the Master Form Deed of Trust.
- ☐ The Property or a part thereof is a Condominium. Refer to paragraph 50 of the Master Form Deed of Trust.
- ☐ A fee owner and a leasehold owner of the Property, or a portion thereof, have executed this Security Instrument. Refer to paragraph 51 of the Master Form Deed of Trust
- ☐ The Property or a part thereof is a leasehold estate. Refer to paragraph 52 of the Master Form Deed of Trust.
- ☐ See also Schedule "A" of this Short Form Deed of Trust, attached hereto and incorporated herein by this reference.

WITNESS the hand(s) and seal(s) of the Borrower, and each of them if more than one, on the day and year first above written.

BROTHERS CUSTOM HOMES, INC



HUGH SCHMIDT, PRESIDENT



JEAN SCHMIDT, SECRETARY



200405060063
Skagit County Auditor

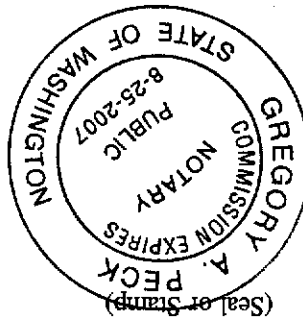
5/6/2004 Page 3 of 5 11:09AM

(Over for notary acknowledgements)

5/6/2004 Page 4 of 5 5:11:09AM

Skagit County Auditor

200405060063



My commission expires 8-25-07

residing at Mount Vernon

Notary Public in and for the State of Washington

(Signature)

Dated: 5/05/04

to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

(Name of the Party on Behalf of Whom the Instrument was Executed)

Brothers Custom Homes, Inc

(Type of Authority, e.g., Officer, Trustee)

acknowledged it as the President and Secretary

is/are the person(s) who appeared before me, and said person(s) acknowledged that (he/she/they) signed

[Name(s) of person(s)]

Hugh Schmidt and Jean Schmidt

I certify that I know or have satisfactory evidence that

COUNTY OF Skagit

ss.)

STATE OF Washington)

My commission expires

residing at

Notary Public in and for the State of

(Signature)

(Seal or Stamp)

Dated:

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

[Name(s) of person(s)]

I certify that I know or have satisfactory evidence that

COUNTY OF

ss.)

STATE OF)

SCHEDULE "A"
Legal description

The land referred to in this report/policy is situated in the State of Washington, County of Skagit, and is described as follows:

Lot 2 of Short Plat PL03-0174 recorded October 30, 2003 under Skagit County Auditor's File No. 200310300121, being a portion of Tract 6 of that certain Survey entitled "THE UPLANDS", being a portion of Sections 24 and 25, Township 34 North, Range 4 East, W.M., and Section 30, Township 34 North, Range 5 East, W.M.

EXCEPT that portion thereof described as follows:

Beginning at the Northeasterly corner of said Lot 2; thence South $64^{\circ} 31' 10''$ West, along the Northerly line of said Lot 2 a distance of 313.61 feet; thence South $11^{\circ} 56' 15''$ East a distance of 192.85 feet; thence South $03^{\circ} 27' 25''$ West a distance of 114.68 feet to the true point of beginning; thence South $12^{\circ} 12' 55''$ West a distance of 160.51 feet to the Westerly line of said Lot 2; thence North $31^{\circ} 15' 17''$ West along said Westerly line a distance of 171.31 feet; thence North $84^{\circ} 46' 45''$ East a distance of 124.89 feet to the true point of beginning.

AND EXCEPT that portion thereof described as follows:

Beginning at the Northwesterly corner of said Lot 1 thence North $64^{\circ} 31' 10''$ East along the Northerly line of said Lot 1 a distance of 510.73 feet to the true point of beginning, thence continue North $64^{\circ} 31' 10''$ East a distance of 188.46 feet to the Easterly line of said Lot 1; thence South $11^{\circ} 56' 15''$ East along said Easterly line a distance of 192.85 feet; thence South $03^{\circ} 27' 25''$ West a distance of 37.23 feet; thence North $86^{\circ} 32' 35''$ West a distance of 65.85 feet; thence North $03^{\circ} 27' 25''$ East a distance of 53.09 feet; thence North $44^{\circ} 03' 57''$ West a distance of 68.58 feet; thence along a curve to the left, having a radius of 10.00 feet which bears South $45^{\circ} 56' 03''$ West, through a central angle of $30^{\circ} 53' 19''$ an arc distance of 5.39 feet; thence North $74^{\circ} 57' 16''$ West a distance of 58.21 feet; thence along a curve to the right, having a radius of 85.00 feet which bears North $15^{\circ} 02' 44''$ East through a central angle of $28^{\circ} 44' 16''$ an arc distance of 42.63 feet to the true point of beginning.

TOGETHER WITH that portion of Lot 1 of Short Plat No. PL03-0533, approved October 29, 2003 and recorded October 30, 2003, under Skagit County Auditor's File No. 200310300119; being a revision of Tract 5 of that certain Survey entitled "THE UPLANDS" filed December 14, 1982, under Auditor's File No. 8212140010 in Volume 4 of Surveys, page 56 through 61, inclusive, corrected by Affidavit recorded under Auditor's File No. 8212290015, records of Skagit County, Washington; being a portion of Section 24 and 25, Township 34 North, Range 4 East, W.M., Section 30, Township 34 North, Range 5 East, W.M., described as follows:

Beginning at the Southwesterly corner of said Lot 1; thence North $38^{\circ} 24' 07''$ West along the Westerly line of said Lot 1 a distance of 117.05 feet; thence South $77^{\circ} 40' 41''$ East a distance of 110.78 feet; thence North $70^{\circ} 44' 22''$ East a distance of 138.60 feet; thence South $70^{\circ} 10' 56''$ East a distance of 43.87 feet to the Southerly line of said Lot 1; thence South $64^{\circ} 31' 10''$ West along said Southerly line, a distance of 230.00 feet to the point of beginning.

AND TOGETHER WITH those certain easements delineated on the face of said survey and as reserved and/or dedicated by instruments recorded under Auditor's File Nos. 8002040045 and 8212100052; EXCEPT those portions of Tracts 1, 4 and 13 deed to Skagit County for road purposes by instruments recorded under

Auditor's File Nos. 8610160006 through 8610160010, 8610160011 through 8610160015, and 8610230021 through 8610230025, respectively.

AND ALSO TOGETHER WITH an easement for ingress, egress, drainage and utilities as described within that instrument recorded July 10, 1991, under Skagit County Auditor's File No. 9107100121.

