

200704090188
Skagit County Auditor
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WASHINGTON - Single Family - Faunie Mae/Fredie Mac UNFC

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

BORROWER COVENANTS that Borrower is lawfully seized of the estate hereby conveyed and has the right to grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances, and fixtures now or hereafter attached to the property, and all additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property".

ANACORTES [Street] Washington 98221 ("Property Address") [City] [Zip Code]

which currently has the address of 3119 B AVE

SITUATED IN SKAGIT COUNTY, WASHINGTON.

ADDITION TO ANACORTES, ACCORDING TO THE PLAT THEREOF, RECORDED IN VOLUME 1 OF THE WEST HALF OF LOT 18, ALL OF LOTS 19 AND 20, BLOCK 10, KELLOGG AND FORD'S PLATS, PAGE 41, RECORDS OF SKAGIT COUNTY, WASHINGTON.

This Security Instrument secures to Lender: (i) the repayment of the Loan, and all renewals, extensions and modifications of the Note; and (ii) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower irrevocably grants and conveys to Trustee, in trust, with power of sale, the following described property located in Skagit County, Washington.

(P) "RESPA" means the Real Estate Settlement Procedures Act (12 U.S.C. §2601 et seq.) and its implementing regulation, Regulation X (24 C.F.R. Part 3500), as they might be amended from time to time, or any additional or successor legislation or regulation that governs the same subject matter. As used in this Security Instrument, RESPA refers to all requirements and restrictions that are imposed in regard to a "federally related mortgage loan," even if the Loan does not qualify as a "federally related mortgage loan" under RESPA.

(Q) "Successor in Interest of Borrower" means any party that has taken title to the Property, whether or not that party has assumed Borrower's obligations under the Note and/or this Security Instrument.

(R) "Mortgage Insurance" means insurance protecting Lender against the non payment of, or default on, the Note, plus (ii) any amounts under Section 3 of this Security Instrument.

(S) "Periodic Payment" means the regularly scheduled amount due for (i) principal and interest under the Note, or any additional amount due under this Security Instrument.

(T) "Property" means in the regular course of business protection against the non payment of, or default on, the Note, plus (iii) conveyance in lieu of condemnation; or (iv) misrepresentations of, or omissions as to, the value and/or condition of the Property.

(U) "Miscellaneous Proceeds" means any insurance proceeds paid under the coverage described in Section 5 for: (i) damage to, or destruction of, the Property; (ii) condemnation or other taking of all or any part of the Property; (iii) conveyance in lieu of condemnation; or (iv) misrepresentations of, or omissions as to, the value and/or condition of the Property.

(V) "Escrow Item" means those items that are described in Section 3.

(W) "Telephonic instrument, computer, or magnetic tape so as to order, instruct, or authorize a financial institution to debit or credit an account. Such term includes, but is not limited to, point-of-sale transfers, automated teller machine transactions, transfers initiated by telephone, wire transfers, and transfers, automated clearinghouse transfers.

(X) "Institution" to debt or credit an account. Such term includes, but is not limited to, point-of-sale transfers, automated teller machine transactions, transfers initiated by telephone, wire transfers, and transfers, automated clearinghouse transfers.

19. Borrower's Right to Reinstate After Acceleration. If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earliest of: (a) five days before sale of the Property pursuant to any power of sale contained in this Security Instrument; (b) such other period as Applicable Law might specify for the termination of Borrower's right to reinstate; or (c) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to reasonable attorneys' fees, property inspection and valuation fees, and other fees incurred for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument; and (d) takes such action as Lender may reasonably require to assure that Lender's interest in the Property and rights under this Security Instrument, and Borrower's obligation to pay the sums secured by this Security Instrument, shall continue unchanged. Lender may require that Borrower pay such reinstatement sums and expenses in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality or entity; or (d) Electronic Funds Transfer. Upon reinstatement by Borrower, this Security Instrument and obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under Section 18.

20. Sale of Note; Change of Loan Servicer; Notice of Grievance. The Note or a partial interest in the Note (together with this Security Instrument) can be sold one or more times without prior notice to Borrower. A sale might result in a change in the entity (known as the "Loan Servicer") that collects Periodic Payments due under the Note and this Security Instrument and performs other mortgage loan servicing obligations under the Note, this Security Instrument, and Applicable Law. There also might be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Borrower will be given written notice of the change which will state the name and address of the new Loan Servicer, the address to which payments should be made and any other information RESPA requires in connection with a notice of transfer of servicing. If the Note is sold and thereafter the Loan is serviced by a Loan Servicer other than the purchaser of the Note, the mortgage loan servicing obligations to Borrower will remain with the Loan Servicer or be transferred to a successor Loan Servicer and are not assumed by the Note purchaser unless otherwise provided by the Note purchaser.

Neither Borrower nor Lender may commence, join, or be joined to any judicial action (as either an individual litigant or the member of a class) that arises from the other party's actions pursuant to this Security Instrument or that alleges that the other party has breached any provision of, or any duty owed by reason of, this Security Instrument, until such Borrower or Lender has notified the other party (with such notice given in compliance with the requirements of Section 15) of such alleged breach and afforded the other party hereto a reasonable period after the giving of such notice to take corrective action. If Applicable Law provides a time period which must elapse before certain action can be taken, that time period will be deemed to be reasonable for purposes of this paragraph. The notice of acceleration and opportunity to cure given to Borrower pursuant to Section 22 and the notice of acceleration given to Borrower pursuant to Section 18 shall be deemed to satisfy the notice and opportunity to take corrective action provisions of this Section 20.

21. Hazardous Substances. As used in this Section 21: (a) "Hazardous Substances" are those substances defined as toxic or hazardous substances, pollutants, or wastes by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials; (b) "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection; (c) "Environmental Cleanup" includes any response action, remedial action, or removal action, as defined in Environmental Law; and (d) an "Environmental Condition" means a condition that can cause, contribute to, or otherwise trigger an Environmental Cleanup .

Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances, or threaten to release any Hazardous Substances, on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property (a) that is in violation of any Environmental Law, (b) which creates an Environmental Condition, or (c) which, due to the presence, use, or release of a Hazardous Substance, creates a condition that adversely affects the value of the Property. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property (including, but not limited to, hazardous substances in consumer products).

Borrower's Initials P.L.K.



**ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY,
EXTEND CREDIT, OR TO FORBEAR FROM ENFORCING REPAYMENT
OF A DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.**

26. Attorney's Fees. Lender shall be entitled to recover his reasonable attorney's fees and costs in any action or proceeding to enforce any term of this Security Instrument. The term "attorneys' fees", whenever used in this Security Instrument, shall include without limitation attorney's fees incurred by Lender in any bankruptcy proceeding or on appeal.

25. Use of Property. The Property is not used principally for agricultural purposes.

24. Substitute Trustee. In accordance with Applicable Law, Lender may from time to time appoint a successor trustee to any Trustee appointed hereunder who has ceased to act. Without conveyance of the Property, the successor trustee shall succeed to all the title, power and duties conferred upon Trustee herein and by Applicable Law.

23. Recoveryance. Upon payment of all sums secured by this Security Instrument, Lender shall recordation costs and the Trustee's fee for recovering the recoveryance.

22. Acceleration; Remedies; Lender's Right to Sale. If Lender invokes the power of sale, Lender shall deliver to the purchaser Trustee's deed conveying the Property without any warrant, expressed or implied. The details in the Trustee's deed shall be prima facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all expenses of the sale, including, but not limited to, reasonable attorney's and attorney's fees; (b) to all sums secured by this Security Instrument; and (c) any excess to the person or persons legally entitled to it or to the clerk of the superior court of the county in which the sale took place.

21. Postponement at Sale. Lender or its designee may purchase the Property at any sale of the notice of sale of the Property for periods permitted by Applicable Law by public auction or sale in one or more parcels and in any order Trustee determines. Trustee designated in the notice of sale may require payment in full of all sums secured by this Security Instrument without further demand and may invoke the power of sale under the terms and after publication of Applicable Law may require payment in full of all sums secured by Lender at the highest bidder at the time and place and under the terms and to other persons as Applicable Law demands. After the time required by Applicable Law and Lender shall take such action regarding notice to cause the Property to be sold. Trustee occurrence of an event of default and of Lender's election to cause the Property to be sold, Trustee may require payment in full of all sums secured by Lender or its designee for the removal of any encumbrance or defect in title evidence.

20. Remedies Available at Sale. If Lender invokes the power of sale, Lender shall give written notice to Trustee of the amount of damages suffered by Lender in pursuing the remedies provided in this Section 22, including, but not limited to, other remedies permitted by Applicable Law. Lender shall be entitled to collect all expenses incurred in the notice of sale of the Property without further demand and may invoke the power of sale under the terms and conditions set forth above and to other persons as Applicable Law may require. After the time required by Applicable Law and Lender shall give such notices to Borrower and to other persons as Applicable Law may require. After the time required by Applicable Law and Lender shall take such action regarding notice to cause the Property to be sold. Trustee occurrence of an event of default and of Lender's election to cause the Property to be sold, Trustee may require payment in full of all sums secured by Lender or its designee for the removal of any encumbrance or defect in title evidence.

19. Environmental Liabilities. Lender shall further covenant and agree as follows:

Borrower shall promptly give Lender written notice of (a) any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Condition, including but not limited to, any spillage, leaking, discharge, release or threat of release of any Hazardous Substance, and (c) any condition caused by the presence, use or release of a Hazardous Substance affecting the value of the Property. If Borrower learns, or is noticed of any Environmental Condition, including but not limited to, any spillage, leaking, discharge, release or threat of release of any Hazardous Substance, and (c) any condition caused by the presence, use or release of a Hazardous Substance affecting the value of the Property, Lender shall promptly take all necessary remedial actions in accordance with Environmental Law. Nothing herein shall create any liability on Lender for an Environmental Cleanup.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any Rider executed by Borrower and recorded with it.

Patricia L Kinzel
PATRICIA L KINZEL

[Space Below This Line for Acknowledgment]

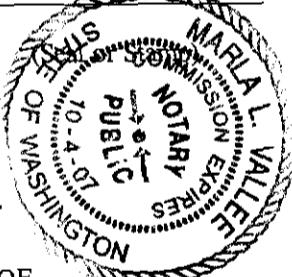
STATE OF WASHINGTON
COUNTY OF SKAGIT

I certify that I know or have satisfactory evidence that
PATRICIA L KINZEL

[Name(s) of person(s)]

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.

Dated: April 3, 2007



STATE OF WASHINGTON
COUNTY OF)
) ss.

I certify that I know or have satisfactory evidence that

Marla L. Vallet
(Signature)

Notary Public in and for the State of Washington,
residing at Burlington
My commission expires 10/04/2007

STATE OF WASHINGTON
COUNTY OF)
) ss.

I certify that I know or have satisfactory evidence that

[Name(s) of person(s)]

is/are the person(s) who appeared before me, and said person(s) acknowledged that (he/she/they) signed this instrument, on oath stated that (he/she/they) was/were authorized to execute the instrument and acknowledged it as the

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

of _____

(Name of the Party on Behalf of Whom the Instrument was Executed)
to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: _____
(Seal or Stamp)

(Signature)

Notary Public in and for the State of _____,
residing at _____
My commission expires _____

ADDENDUM TO UNIFORM DEED OF TRUST

Date: April 3rd, 2007

Addendum attached to and forming part of the Deed of Trust ("Security Instrument") of even date by and between _____

PATRICIA L KINZEL, AN UNMARRIED PERSON

as Grantor/Borrower; Washington Services, Inc., A Washington Corporation as Trustee; and WASHINGTON FEDERAL SAVINGS as Beneficiary/Lender.

1. OCCUPANCY OF THE PROPERTY BY BORROWER.

There are two alternative covenants stated below which refer to occupancy of the Property by the Borrower, and only one alternative shall be a part of this Addendum. Lender has determined which alternative is a covenant of the Borrower by checking below the appropriate box opposite the paragraph immediately preceding the paragraph Lender has determined to be applicable to Borrower, and Borrower has agreed to this chosen alternative by executing this Addendum to the Security Instrument and pursuant to the terms of Lender's loan commitment.

- Occupancy of Property by Borrower Required.** Uniform Covenant 6 of the Security Instrument is amended by substituting the following language:

"Borrower shall occupy, establish and use the Property as Borrower's principal residence within sixty (60) days after the execution of this Security Instrument and shall continue to occupy the Property as Borrower's principal residence for at least one year after the date of occupancy, unless lender otherwise agrees in writing and in its sole discretion; provided, however, that if the loan evidenced by the Security Instrument is a 'custom' construction loan as defined by a Construction Loan Agreement between Lender and Borrower, then Borrower shall begin to occupy, establish and use the Property as Borrower's principal residence within sixty (60) days after receipt of Certificate of Occupancy, or similar official document, from the applicable governmental authority, unless Lender in its discretion agrees in writing to waive any governmental requirement. Borrower acknowledges that Uniform Covenant 6, as here amended, is required by Lender in consideration of Lender extending Borrower an 'Occupancy Note Rate' which is less than the prevailing 'Non-Occupancy Note Rate'. If Borrower shall default on the terms of occupancy as stated above, Lender may elect, at its option and notwithstanding any other terms of the Security Instrument to the contrary, any of the following remedies: (a) Lender may accelerate the terms of the Note and, upon fifteen (15) days notice, call the loan immediately due and payable in full, and if Borrower fails to make payment in full, Lender may thereafter exercise any remedy permitted by the Security Instrument, including suit on the Note or foreclosure upon the Security Interest and the Property; or (b) Lender may adjust the interest rate on the Note (and any monthly payment occasioned by such adjustment) to Lender's 'Non-Occupancy Note Rate' which existed as of the date of the Note and Security Instrument and require further consideration for not calling the loan immediately due and payable, including but not limited to (i) having Borrower convey to Lender a Fannie Mae Multistate 1-4 Family Rider (Assignment of Rents) and (ii) having Borrower pay any amount of principal on the loan necessary (if at all) to make the loan conform to whatever loan-to-value ratio conditions Lender would have required of a 'Non-Owner-Occupied Loan' on the Property as of the date of the Note and Security Instrument."

- Occupancy of Property By Borrower Waived.** Uniform Covenant 6 of the Security Instrument is deleted.

2. ADDITIONAL SPECIAL COVENANTS.

A. Additional Advance(s)

This Security Instrument also secures the 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.

Borrower's Initials PLK

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payable in accordance with the terms of the Note.

of Borrower secured by this Security Instrument and shall bear interest at the Note rate and shall be principal balance of the loan. If the charge is added to the loan, then it shall become additional debt within 10 days of receipt of written notice or add the amount of the charge to the remaining principal balance of the loan. Lender may, at Lender's option, either require Borrower to pay the payment processing charge then be due and payable in full. Lender shall inform Borrower of this election in writing and hundreded dollar (\$200) payment processing charge from Borrower in which event this charge shall otherwise becomes unavailable to Lender for the payment of the loan, or in the event Borrower insufficient funds to cover a payment when due, or if Borrower's E-Z Pay bank account is closed or shall temporarily defer the two hundreded dollar (\$200) payment processing charge which is otherwise due and payable in full at closing. However, if at any time, Borrower's E-Z Pay bank account has constructed or remodeled a residential dwelling on the Property ("Custom Construction loan"), then the shall temporally defer the two hundreded dollar (\$200) payment processing charge which is otherwise due and payable in full at closing. E-Z Pay Option. If Borrower elects the E-Z Pay option at the inception of this loan, then Lender

such default or breach.

entitling Lender to any and all remedies allowed by the Security Instrument and applicable law for Assignment of Account shall constitute a default or breach of this Security Instrument, thereby Security Instrument and Addendum shall be incorporated by reference in and be a part of this Security Instrument. and any default or breach by Borrower of the Construction Loan Agreement & Construction Instrument, and any default or breach by Borrower along with this Construction Loan Agreement & Assignment of Account signed by Borrower alone, upon notice to Borrower of such determination, that adequate flood insurance be maintained for the Flood Insurance as part of said Funds, Lender shall be entitled to obtain "forced place" flood insurance coverage for the property improvements and it Borrower does not voluntarily pay "escrow items" (reserves) for flood insurance premiums; and if Borrower does not regulate, of the Funds defined under Covenant 3, and to the extent authorized by federal law and regulation, improvements of the Property a Borrower's expense, and Lender shall be entitled to collect, as part "If the property is now or shall ever during this loan be determined by the Federal Emergency Management Agency (FEMA), or its successor agency, to be within a Special Flood Hazard Area D. Mandatory Flood Insurance for Property in Special Flood Hazard Areas. Uniform Covenants 3 and 5 are modified so as to add the following language which affects both covenants:

"23. Release or Reconveyance. Upon payment of all sums secured by this Security Instrument and all notices evidencing debt secured by this Security Instrument to Trustee, Trustee shall release or reconvey the Property and shall surrender this Security Instrument and all notices evidencing debt secured by this Security Instrument to Trustee. Trustee shall release or reconvey the Property without warranty to the person or persons legally entitled to it. Such person or persons shall pay any recondition costs and reasonable trustee's fee for release or reconveyance."

Lender shall request Trustee to release or reconvey the Property and shall surrender this Security Instrument and all notices evidencing debt secured by this Security Instrument to Trustee. Trustee shall release or reconvey the Property without warranty to the person or persons legally entitled to it. Such person or persons shall pay any recondition costs and reasonable trustee's fee for release or reconveyance.

"23. Release or Reconveyance. Upon payment of all sums secured by this Security Instrument and all notices evidencing debt secured by this Security Instrument to Trustee, Trustee shall release or reconvey the Property and shall surrender this Security Instrument and all notices evidencing debt secured by this Security Instrument to Trustee. Trustee shall release or reconvey the Property without warranty to the person or persons legally entitled to it. Such person or persons shall pay any recondition costs and reasonable trustee's fee for release or reconveyance."

C. Reconveyance After Payment of Loan in Full. Non-Uniform Covenant 23 of the Security Instrument is revised to read as follows:

"Borrower acknowledges that the terms and conditions of Uniform Covenant 19 and Non-Uniform Covenant 22 are intended to avail Borrower of certain notice and reinstatement rights if Lender non-judicial foreclosure under its power of sale in the event of default, and that Borrower has effects non-judicial foreclosure under its power of sale in the event of default, and that Borrower has a statutory right of redemption protecting Borrower in the event of judicial foreclosure. Therefore, Security instrument, if Lender, at its own option, elects to accelerate the Security Instrument by non-judicial foreclosure any provision of Uniform Covenant 19 and Non-Uniform Covenant 22 of this instrument and all notices evidencing debt secured by this Security Instrument to certain notices as provided for in Uniform Covenant 19 and Non-Uniform Covenant 22."

B. Lender's Right of Acceleration and Judicial Foreclosure.

Uniform Covenant 19 and Non-Uniform Covenant 22 of the Security Instrument are amended by the addition of the following language, which shall modify the terms of Uniform Covenant 19 and Non-Uniform Covenant 22 to the extent set forth immediately below:

- G. **Hazard, Property, or Flood Insurance.** Without affecting the language contained in Covenants 3, 5, and 7 of the Security Instrument and paragraph D above, Borrower is advised as follows:

WARNING

Unless Borrower provides Lender with evidence of the insurance coverage as required by the deed of trust or loan agreement, Lender may purchase insurance at Borrower's expense to protect Lender's interest. This insurance may, but need not, also protect borrower's interest. If the collateral becomes damaged, the coverage Lender purchases may not pay any claim Borrower makes or any claim made against Borrower. Borrower may later cancel this coverage by providing evidence that it has obtained property coverage elsewhere.

Borrower is responsible for the cost of any insurance purchased by Lender. The cost of this insurance may be added to the loan balance. If the cost is added to the loan balance, the interest rate on the underlying loan will apply to this added amount. The effective date of coverage may be the date the prior coverage lapses or the date Borrower fails to provide proof of coverage.

The coverage Lender purchases may be considerably more expensive than insurance Borrower can obtain on its own and may not satisfy any need for property damage coverage or any mandatory liability insurance requirements imposed by applicable law.

- H. **Late Charges and Other Fees.** Lender may, at Lender's option, either require Borrower to pay any late charge for overdue payments or NSF/returned item fees related to any payments under the Note, or add the amount of any such charges or fees to the remaining principal balance of the loan. If these charges and/or fees are added to the loan, then they shall become additional debt of Borrower secured by this Security Instrument and shall bear interest at the Note rate and shall be payable in accordance with the terms of the Note.
- I. **Assignment of the Loan.** If Lender transfers its interest in or a right to receive loan payments under the Note secured by the Security Instrument, this Addendum, or any part of it, may be cancelled at the option of Lender and without advance notice to Borrower, and Lender may make and record any instrument, without signature of Borrower, which may be necessary to give record notice of such cancellation.

Patricia L. Kinzel
PATRICIA L KINZEL