

AFTER RECORDING RETURN TO:
Washington Federal Savings
COMMERCIAL LOANS-WA Office
425 Pike Street
Seattle WA 98101
Attention: _____



200706110221
Skagit County Auditor

6/11/2007 Page 1 of 7 3:28PM

LAND TITLE OF SKAGIT COUNTY
125788-SAE

Loan Number 050 205 331325-1

SHORT FORM DEED OF TRUST

THIS DEED OF TRUST ("Security Instrument") is made June 6th, 2007 between
STEVEN J. MORRIS AND NICKI M. MORRIS, HUSBAND AND WIFE

_____ as Grantor ("Borrower"), whose
address is 11455 WHISTLE LAKE RD, ANACORTES WA 98220 ; 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):

SEE EXHIBIT "A" OF THIS DOCUMENT FOR THE COMPLETE LEGAL DESCRIPTION AND BY THIS REFERENCE INCORPORATED HEREIN.

Abbreviated legal; ptn NE1/4 of SE1/4, 24-35-1 E.W.M.

Assessor's Property Tax Parcel Account Number(s): 35012400980102

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

(a) Payment of the sum of

EIGHT HUNDRED FIFTEEN THOUSAND AND NO/100S DOLLARS

(\$815,000.00), 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;

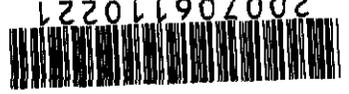
c) Performance of each agreement, term and condition set forth or incorporated by reference in the Loan Documents, including without limitation the loan agreement of even date herewith, which are incorporated herein by reference or contained herein.

THE MATURITY DATE OF THESE SECURED OBLIGATIONS, AS CONTAINED IN THE

LOAN DOCUMENTS, INCLUDING THE NOTE, IS July 15th, 2017.

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 Records 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	FRAME OR PAGE NOS.	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	95-23049	October 12, 1995
CHELAN	1111	694-705	9510120008	October 11, 1995
CLALLAM	3D	712-723	729425	October 11, 1995
COLUMBIA	1213	0637-0648	951012074	October 11, 1995
COWITZ	M444	09-20	8601	October 12, 1995
DOUGLAS	[M.F. of O.R.]		307858	October 11, 1995
FERRY	0377	0564-0575	232892	October 11, 1995
FRANKLIN	068	1954-1965	524669	October 11, 1995
GARFIELD	95	33136-33147	3317	October 11, 1995
GRANT	95	1410-1421	951012026	October 11, 1995
GRAYS HARBOR	537	328-339	951016396	October 11, 1995
JEFFERSON	0879	2392-2403	385505	October 11, 1995
KING	370	717	9510100421	October 10, 1995
KITTSAP	327	218	9510130066	October 13, 1995
KITTITAS	672	350-361	586108	October 11, 1995
LEWIS	65	003034-003045	249676	October 11, 1995
LINCOLN	688	144-155	9514582	October 11, 1995
MASON	137	1089-1100	615408	October 11, 1995
OKANOGAN	9510	559-570	833848	October 11, 1995
PACIFIC	121	1099-1110	62332	October 11, 1995
PEND ORIELLE	1163	2511-2522	230779	October 12, 1995
PERCE	525	230-241	95101201	October 11, 1995
SAN JUAN	1483	0372-0383	9510110046	October 12, 1995
SKAGIT	152	860-871	123494	October 11, 1995
SKAMANIA	3081	1623-1634	9510110189	October 11, 1995
SNOHOMISH	1781	1737-1748	9510110230	October 11, 1995
SPOKANE	193	2376-2387	9510157	October 11, 1995
STEVENS	2464	702-713	9510110097	October 11, 1995
THURSTON	104	0579-0590	45447	October 12, 1995
WAHKIAKUM	234	1593-1604	9509789	October 11, 1995
WALLA WALLA	465	1133-1144	951011197	October 11, 1995
WHATCOM	1494	1819-1830	3110734	October 11, 1995
YAKIMA			Microfilm No. 580488	



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.

Steven J. Morris

 STEVEN J. MORRIS

Nicki Morris

 NICKI M. MORRIS

(Over for notary acknowledgements)



Skagit County Auditor

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NOTARIAL PUBLIC

Notary Public in and for the State of _____
(Signature) _____
residing at _____
My commission expires _____

(Seal or Stamp)

Dated: _____

of _____
(Name of the Party on Behalf of Whom the Instrument was Executed)
_____ (Type of Authority, e.g., Officer, Trustee)

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

I certify that I know or have satisfactory evidence that

STATE OF _____
COUNTY OF _____
)
) ss.
)

Notary Public in and for the State of _____
(Signature) _____
residing at _____
My commission expires _____

(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.

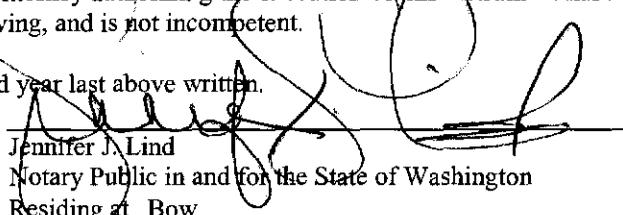
I certify that I know or have satisfactory evidence that

STATE OF _____
COUNTY OF _____
)
) ss.
)

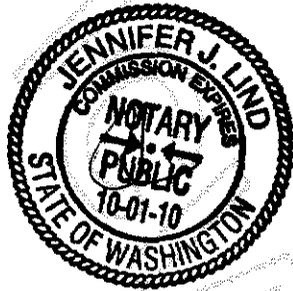
STATE OF Washington }
COUNTY OF Skagit } SS:

On this 8th day of June 2007 before me personally appeared _____
Nicki M. Morris, to me known to be the individual described in and
who executed the foregoing instrument for her self and as Attorney in Fact for _____
Steven J. Morris and acknowledged that she signed and
sealed the same as her free and voluntary act and deed for her self and also as her
free and voluntary act and deed as Attorney in Fact for said principal for the uses and purposes therein
mentioned, and on oath stated that the Power of Attorney authorizing the execution of this instrument has not
been revoked and that the said principal is now living, and is not incompetent.

Given under my hand and official seal the day and year last above written.
(Seal)



Jennifer J. Lind
Notary Public in and for the State of Washington
Residing at Bow
My appointment expires: 10/01/2010



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**"SCHEDULE A"
ADDENDUM TO DEED OF TRUST**

Date: June 6th, 2007

Loan Number: 050 205 331325-1

Addendum attached to and forming part of the Deed of Trust, Security Agreement and Fixture Filing with Assignment of Leases, Rents and Accounts ("Security Instrument") of even date by and between STEVEN J. MORRIS AND NICKI M. MORRIS, HUSBAND AND WIFE

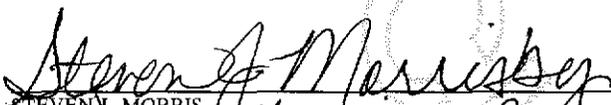
_____ as
Borrower and **WASHINGTON FEDERAL SAVINGS**, as Lender.

Covenant Number 70 is added to the Security Instrument as follows:

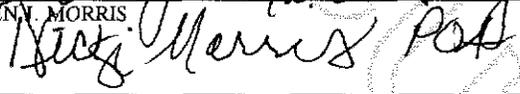
70. SECONDARY FINANCING

There are two alternative covenants stated below which refer to whether or not, and if so, in what manner, secondary financing subordinate to the lien created by the Security Instrument will be permitted. Only one of these two alternatives shall be a part of this Addendum and the Security Instrument. Lender has determined which alternative is a covenant of the Borrower by checking below the appropriate box immediately preceding the paragraph Lender has determined to be applicable to Borrower, and Borrower has agreed to this chosen alternative by signing this Addendum to the Security Instrument and pursuant to the terms of Lender's loan commitment.

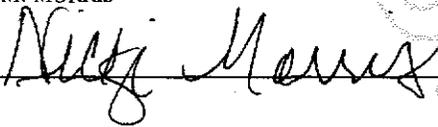
- No secondary financing, whether or not subordinate to the lien of this Security Instrument, shall be made so as to further encumber the Property unless Lender, in its sole discretion, hereafter approves of such secondary financing in advance of its imposition; and if Borrower shall breach the terms of this covenant, Lender may, at its option, declare a default and acceleration of the loan consistent with the terms of Covenant Number 28 of the Security Instrument and thereafter, upon failure to cure the breach, exercise any and all remedies conferred upon Lender by law and by the terms of the Security Instrument. In the event of such a breach by Borrower, Lender need not be required to show an impairment of its security in order to avail itself of the remedies conferred by this covenant
- Secondary financing which may further encumber the Property shall be limited to secondary financing subordinate to the lien created by this Security Instrument and which, in the aggregate, does not exceed \$ _____; and if Borrower shall breach the terms of this covenant, Lender may, at its option, declare a default and acceleration of the loan consistent with the terms of Covenant Number 28 of the Security Instrument and thereafter, upon failure to cure the breach, exercise any and all remedies conferred upon Lender by law and by the terms of the Security Instrument. In the event of such a breach by Borrower, Lender need not be required to show an impairment of its security in order to avail itself of the remedies conferred by this covenant.



STEVEN J. MORRIS



NICKI M. MORRIS





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Skagit County Auditor

EXHIBIT A

The North 108.25 feet and the East 30.00 feet of that portion of the Northeast $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ of Section 24, Township 35 North, Range 1 East, W.M., described as follows:

Beginning at the intersection of the centerline of "N" Avenue produced with the centerline of 24th Street produced;
thence East along said centerline of 24th Street 180 feet to the East line of those premises condemned by the United States of America by Decree entered September 8, 1944 in the United States District Court for the Western District of Washington, Northern Division, Cause No. 687;
thence North 0°01'00" West 290 feet, more or less, to the Northwest corner of a tract conveyed to Laurence E. Nicholson by Deed dated November 13, 1968, recorded November 18, 1968, under Auditor's File No. 720425, records of Skagit County, Washington, said point being the true point of beginning;
thence East parallel to the North line of said 24th Street 229.86 feet, more or less, to the East line of the Southeast $\frac{1}{4}$ of said Section 24;
thence North along the East line of said Southeast $\frac{1}{4}$ of Section 24, 211.31 feet, more or less, to the Southeast corner of a tract conveyed to John A. Brooks by deed dated April 11, 1944, recorded April 17, 1944, under Auditor's File No. 370727, records of Skagit County, Washington, said point being 16 $\frac{1}{2}$ feet, more or less, South of the North line of the Southeast $\frac{1}{4}$ of the Northeast $\frac{1}{4}$ of the Southeast $\frac{1}{4}$;
thence West along the South line of said Brook Tract, 229.86 feet, more or less, to a point North 0°01'00" West of the true point of beginning;
thence South 0°01'00" East to the true point of beginning.

Situate in the City of Anacortes, County of Skagit, State of Washington.

END EXHIBIT A



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