



200707170063
Skagit County Auditor

7/17/2007 Page 1 of 8 11:34AM

LAND TITLE OF SKAGIT COUNTY

126512. pte

After recording return to:
JPMorgan Chase Bank, N.A.
HE Post Closing, KY2-1606
PO Box 11606
Lexington, KY 40576-1606

Loan Number: 26400019732

**WASHINGTON
CLOSED-END DEED OF TRUST**

Reference Numbers of related documents:

Additional reference numbers on page of document.

Grantor(s) (Last, First and Middle Initial):

1. JAY H KIM

2.

3.

4.

5.

6.

Grantee(s) (Last, First and Middle Initial):

1. JPMorgan Chase Bank, N.A.

2.

Legal Description [abbreviated form (lot, block, plat name, section-to-township range)]: LOTS
11-14, BLK 1509, NORTHERN PACIFIC ADD.

Additional legal description is in Exhibit A, which is attached hereto and made a part
hereof.

Assessor's Property Tax Parcel Account Number(s): P58440

THIS DEED OF TRUST IS SECOND AND SUBORDINATE TO DEED OF TRUST RECORDED
UNDER AUDITOR FILE NUMBER 200707170063



Loan Number: 26400019732

THIS DEED OF TRUST is given on July 12, 2007. The Grantor is JAY H KIM, A SINGLE MAN, whose mailing address is 7645 STATE RT 20, ANACORTES, WA 98221. The Trustee is Stewart Title Company of Washington, whose address is 1980 Post Oak Blvd., Suite 800, Houston, TX 77056 ("Trustee"). The beneficiary is JPMorgan Chase Bank, N.A., whose address is 1111 Polaris Parkway, Columbus, OH 43240 ("Lender") or its successors or assignees. All notices and correspondence to the Lender pursuant to Section 13 should be addressed to Chase Home Finance LLC, 3415 Vision Drive, P. O. Box 24696, Columbus, OH 43219-6009. In this Deed of Trust, the terms "you," "your" and "yours" refer to the Grantor(s). The terms "we," "us" and "our" refer to the Lender. You owe us the principal sum of Forty-One Thousand Five Hundred and 00/100ths Dollars (U.S. \$41,500.00). This debt is evidenced by your promissory note ("Note") dated the same date as this Deed of Trust, which provides for monthly payments, with the full debt, if not paid earlier, due and pay on July 12, 2037. This Deed of Trust secures to us: (a) the repayment of the debt evidenced by the Note, with interest, and all renewals, refinancings, renegotiations, extensions and modifications of the Note; (b) the payment of all other sums, with interest, advanced under this Deed of Trust to protect the security of this Deed of Trust; and (c) the performance of your covenants and agreements under this Deed of Trust and the Note. For this purpose and in consideration of the debt, you hereby irrevocably grant and convey to Trustee and Trustee's successors and assigns, in trust, with power of sale, the property located in Skagit County, Washington and more fully described in Exhibit A, which is attached hereto and made a part hereof.

The property is more commonly known as: 4018 W 5TH ST, ANACORTES, WA 98221 ("Property Address"); and the property tax identification number is P58440.

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances, and fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Deed of Trust. All of the foregoing is referred to in this Deed of Trust as the "Property."

YOU COVENANT that you are lawfully seised of the estate hereby conveyed and have the right to grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. You warrant and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

YOU AND WE covenant and agree as follows:

1. Payment of Principal, Interest and Other Charges. You shall pay when due the principal of and interest owing under the Note and all other charges due hereunder and due under the Note.

2. Payment of Taxes and Insurance. You will pay, when due, all taxes, assessments, leasehold payments or ground rents (if any), and hazard insurance on the Property.

We specifically reserve to ourselves and our successors and assigns the unilateral right to require, upon notice, that you pay to us on the day monthly payments are due an amount equal to one-twelfth (1/12) of the yearly taxes and assessments (including condominium assessments, if any) which may attain priority over this Deed of Trust and leasehold payments or ground rents on the Property, if any, plus one-twelfth (1/12) of yearly premium installments for hazard insurance, all as we reasonably estimate initially and from time to time, as allowed by and in accordance with applicable law. We will exercise this right only if (1) you are not required under any transaction evidenced by a mortgage, deed of trust, or other security instrument with a lien that has priority over this Deed of Trust to make such payments to the lienholder secured by such instrument, and (2) you fail to make such tax, assessment, leasehold, rent or insurance payments in a timely manner, as agreed under this Deed of Trust.

3. Application of Payments. Unless applicable law provides otherwise, all payments received by us under the Note and Section 1 will be applied by us as permitted under the Note.



4. Prior Deeds of Trust; Charges; Liens. You shall perform all of your obligations under any mortgage, deed of trust, or other security instruments with a lien which has priority over this Deed of Trust, including your covenants to make payments when due. You shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attain priority over this Deed of Trust, and leasehold payments or ground rents, if any. Upon our request, you shall promptly furnish to us all notices of amounts to be paid under this Section and receipts evidencing any such payments you make directly. You shall promptly discharge any lien (other than a lien disclosed to us in your application or in any title report we obtained) which has priority over this Deed of Trust.

5. Hazard Insurance. You shall keep the Property insured against loss by fire, hazards included within the term "extended coverage" and any other hazards, including floods or flooding, for which we require insurance. If the Property is located in a special flood hazard area as determined by the Director of the Federal Emergency Management Agency, you will obtain and maintain Federal Flood Insurance, if available, within 45 days after we provide you with notice that the Property is in a special flood hazard area. The insurance shall be maintained in the amounts and for the periods that we require. You may choose any insurer reasonably acceptable to us. Insurance policies and renewals shall be acceptable to us and shall include a standard mortgagee clause. If we require, you shall promptly give us all receipts of paid premiums and renewal notices.

If you fail to maintain coverage as required in this Section, you authorize us to obtain such coverage as we in our sole discretion determine appropriate to protect our interest in the Property in accordance with the provisions of Section 7. You understand and agree that any coverage we purchase may cover only our interest in the Property and may not cover your interest in the Property or any personal property therein. You also understand and agree that the premium for any such insurance may be higher than the premium you would pay for such insurance.

You shall promptly notify the insurer and us of any loss. We may make proof of loss if you do not promptly do so.

Insurance proceeds shall be applied to restore or repair the Property damaged, if restoration or repair is economically feasible and our security would not be lessened. Otherwise, insurance proceeds shall be applied to sums secured by this Deed of Trust, whether or not then due, with any excess paid to you. If you abandon the Property, or do not answer within 30 days our notice to you that the insurer has offered to settle a claim, then we may collect and use the proceeds to repair or restore the Property or to pay sums secured by this Deed of Trust, whether or not then due. The 30-day period will begin when notice is given. Any application of proceeds to principal shall not require us to extend or postpone the due date of monthly payments or change the amount of monthly payments. If we acquire the Property at a forced sale following your default, your right to any insurance proceeds resulting from damage to the Property prior to the acquisition shall pass to us to the extent of the sums secured by this Deed of Trust immediately prior to the acquisition.

You shall not permit any condition to exist on the Property which would, in any way, invalidate the insurance coverage on the Property.

6. Preservation, Maintenance and Protection of the Property; Borrower's Loan Application; Leaseholds. You shall not destroy, damage or impair the Property, allow the Property to deteriorate, or commit waste. You shall be in default if any forfeiture action or proceeding, whether civil or criminal, is begun that in our good faith judgment could result in forfeiture of the Property or otherwise materially impair the lien created by this Deed of Trust or our security interest. You may cure such a default, as provided in Section 18, by causing the action or proceeding to be dismissed with a ruling that, in our good faith determination, precludes forfeiture of your interest in the Property or other material impairment of the lien created by this Deed of Trust or our security interest. You shall also be in default if you, or any persons or entities acting at your direction or with your knowledge or consent, during the loan application process, gave materially false or inaccurate information or statements to us (or failed to provide us with any material information) in connection with the loan evidenced by the Note, including, but not limited to, representations concerning occupancy of the Property. If this Deed of Trust is on a leasehold, you shall comply with the lease. If you acquire fee



200707170063
Skagit County Auditor

Loan Number: 26400019732

title to the Property, the leasehold and fee title shall not merge unless we agree to the merger in writing.

7. Protection of Our Rights in the Property. If you fail to perform the covenants and agreements contained in this Deed of Trust, or there is a legal proceeding that may significantly affect our rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture or to enforce laws or regulations), then we may do, and pay for, anything necessary to protect the Property's value and our rights in the Property. Our actions may include paying any sums secured by a lien which has priority over this Deed of Trust or any advance under the Note or this Deed of Trust, appearing in court, paying reasonable attorneys' fees, paying any sums which you are required to pay under this Deed of Trust and entering on the Property to make repairs. We do not have to take any action we are permitted to take under this Section. Any amounts we pay under this Section shall become additional debts you owe us and shall be secured by this Deed of Trust. These amounts shall bear interest from the disbursement date at the rate established under the Note and shall be payable, with interest, upon our request.

8. Inspection. We or our agent may make entries in and upon the Property to inspect same at any reasonable time and upon reasonable notice.

9. Condemnation. The proceeds of any award for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to us. If the Property is abandoned, or if, after notice by us to you that the condemnor offers to make an award or settle a claim for damages, you fail to respond to us within 30 days after the date the notice is given, we are authorized to collect and apply the proceeds, at our option, either to restoration or repair of the Property or to the sums secured by this Deed of Trust, whether or not then due. Unless we and you otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments payable under the Note and Section 1 or change the amount of such payments.

10. You Are Not Released; Forbearance by Us Not a Waiver. Extension of time for payment or modification of amortization of the sums secured by this Deed of Trust granted by us to any of your successors in interest shall not operate to release your liability or the liability of your successors in interest. We shall not be required to commence proceedings against any successor in interest, refuse to extend time for payment or otherwise modify amortization of the sums secured by this Deed of Trust by reason of any demand made by you or your successors in interest. Our forbearance in exercising any right or remedy shall not waive or preclude the exercise of any right or remedy.

11. Successors and Assigns Bound; Joint and Several Liability; Additional Signers. The covenants and agreements of this Deed of Trust shall bind and benefit your successors and permitted assigns. Your covenants and agreements shall be joint and several. Anyone who signs this Deed of Trust but does not execute the Note: (a) is signing this Deed of Trust only to grant and convey such person's interest in the Property; (b) is not personally obligated to pay the Note, but is obligated to pay all other sums secured by this Deed of Trust; and (c) agrees that we and anyone else who signs this Deed of Trust may agree to extend, modify, forbear or make any accommodations regarding the terms of this Deed of Trust or the Note without such person's consent.

12. Loan Charges. If the loan secured by this Deed of Trust is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from you which exceed permitted limits will be refunded to you. We may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to you. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Note.

13. Notices. Unless otherwise required by law, any notice to you provided for in this Deed of Trust shall be delivered or mailed by first class mail to the mailing address stated above or any other address you designate by notice to us. Unless otherwise required by law, any notice to us shall be given by first class mail to our



200707170063
Skagit County Auditor

Loan Number: 26400019732

address stated above or any other address we designate by notice to you. Any notice provided for in this Deed of Trust shall be deemed to have been given to you or us when given as provided in this Section.

14. Governing Law; Severability. The extension of credit secured by this Deed of Trust is governed by federal law, which for the purposes of 12 USC § 85 incorporates Ohio law. However, the interpretation and enforcement of this Deed of Trust shall be governed by the law of the jurisdiction in which the Property is located, except as preempted by federal law. In the event that any provision or clause of this Deed of Trust or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Deed of Trust or the Note which can be given effect without the conflicting provision. To this end the provisions of this Deed of Trust and the Note are declared to be severable.

15. Transfer of the Property. If all or any part of the Property or any interest in it is sold or transferred without our prior written consent, we may, at our option, require immediate payment in full of all sums secured by this Deed of Trust. However, this option shall not be exercised by us if exercise is prohibited by federal law as of the date of this Deed of Trust.

16. Sale of Note; Change of Loan Servicer. The Note or a partial interest in the Note (together with this Deed of Trust) may be sold one or more times without prior notice to you. A sale may result in a change in the entity (known as the "Loan Servicer") that collects monthly payments due under the Note and this Deed of Trust. There also may be one or more changes of the Loan Servicer unrelated to the sale of the Note. If there is a change of the Loan Servicer, you will be given written notice of the change as required by applicable law. The notice will state the name and address of the new Loan Servicer and the address to which payments should be made. The notice will also contain any information required by applicable law.

17. Hazardous Substances. You shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the Property. You shall not do, nor allow anyone else to do, anything affecting the Property that is in violation of any Environmental Law. The preceding two sentences shall not apply to the presence, use, or storage on the Property of Hazardous Substances in quantities that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property. You shall promptly give us written notice of 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 Law of which you have actual knowledge. If you learn or are notified by any government or regulatory authority, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, you shall promptly take all necessary remedial actions in accordance with Environmental Law. As used in this Deed of Trust, "Hazardous Substances" are those substances defined as toxic or hazardous substances 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. As used in this Deed of Trust, "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection.

18. Acceleration; Remedies. We shall give notice to you prior to acceleration following your breach of any covenant or agreement in this Deed of Trust (but not prior to acceleration under Section 15 unless applicable law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to you, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Deed of Trust and sale of the Property. The notice shall further inform you of the right to reinstate after acceleration and the right to bring a court action to assert the non-existence of a default or any other defense you may have to acceleration and sale. If the default is not cured on or before the date specified in the notice, we may, at our option, require immediate payment in full of all sums secured by this Deed of Trust without



further demand and may invoke the power of sale and any other remedies permitted by applicable law. We shall be entitled to collect all expenses incurred in pursuing the remedies provided in this Section 18, including, but not limited to, reasonable attorneys' fees as permitted by applicable law, but not to exceed 20% of the outstanding principal and interest, and costs of title evidence.

If we invoke the power of sale, we shall give written notice to Trustee of the occurrence of an event of default and of our election to cause the Property to be sold. We and the Trustee shall take such action regarding notice of sale and shall give such notices to you and to the other persons as applicable law may require. After the time required by applicable law and after publication of the notice of sale, Trustee, without demand on you, shall sell the Property at public auction to the highest bidder at the time and place and under the terms designated in the notice of sale in one or more parcels and in any order Trustee determines. Trustee may postpone sale of the Property for a period or periods permitted by applicable law by public announcement at the time and place fixed in the notice of sale. Either we or our designee may purchase the Property at any sale.

Trustee shall deliver to the purchaser Trustee's deed conveying the Property without any covenant or warranty, expressed or implied. The recitals 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 Trustee's and attorneys' fees, as set forth above; (b) to all sums secured by this Deed of Trust; 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.

19. Advances to Protect Security. This Deed of Trust shall secure the unpaid balance of advances made by us, with respect to the Property, for the payment of taxes, assessments, insurance premiums and costs incurred for the protection of the Property.

20. Discontinuance of Enforcement. Notwithstanding our acceleration of the sums secured by this Deed of Trust under the provisions of Section 18, we may, in our sole discretion and upon such conditions as we in our sole discretion determine, discontinue any proceedings begun to enforce the terms of this Deed of Trust.

21. Substitute Trustee. We, at our option, may from time to time remove the Trustee and 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 the Trustee in this Deed of Trust and by applicable law.

22. Reconveyance. Upon payment of all sums secured by this Deed of Trust, we will request Trustee to reconvey the Property and will surrender this Deed of Trust and all notes evidencing debt secured by this Deed of Trust to Trustee. Trustee will reconvey the Property without warranty and without charge to the person or persons legally entitled to it. Such person will be responsible for all costs of recording such reconveyance.

23. Additional Charges. You agree to pay reasonable charges as allowed by law in connection with the servicing of this loan including, without limitation, the costs of obtaining tax searches and subordinations. Provided, however, that nothing contained in this Section is intended to create and shall not be construed to create any duty or obligation by us to perform any such act, or to execute or consent to any such transaction or matter, except a release of the Deed of Trust upon full repayment of all sums secured hereby.

24. Waiver. No waiver by us at any time of any term, provision or covenant contained in this Deed of Trust or in the Note secured hereby shall be deemed to be or construed as a waiver of any other term, provision or covenant or of the same term, provision or covenant at any other time.

25. Waiver of Homestead. You acknowledge that, by executing this Deed of Trust, you are waiving any homestead exemption that you may have in the Property under state law.



200707170063
Skagit County Auditor

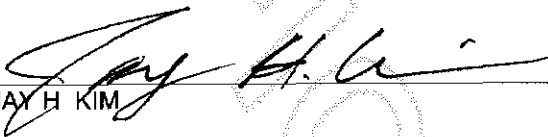
Loan Number: 26400019732

26. Use of Property. You covenant that the Property is not used principally for agricultural or farming purposes.

27. Riders to this Deed of Trust. If one or more riders are executed by you and recorded together with this Deed of Trust, the covenants and agreements of each such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Deed of Trust as if the rider(s) were a part of this Deed of Trust.

☐ Condominium Rider ☐ 1-4 Family Rider ☐ Planned Unit Development Rider
☐ Other(s) ☐ Second Home Rider

BY SIGNING BELOW, You accept and agree to the terms and covenants contained in this Deed of Trust and in any rider(s) executed by you and recorded with it.


JAY H KIM

Grantor

Grantor

Grantor

Grantor

Grantor

Grantor

STATE OF Washington)
) ss:
CITY/COUNTY OF Skagit)

The foregoing instrument was acknowledged before me this 13th day of July, 2007, by Jay H. Kim, to

me known to be the person(s) aforesaid, who acknowledged that they executed this instrument as their free and voluntary act and deed and for the uses and purposes therein mentioned.


Notary Public
Jennifer J. Lind

My Commission Expires: 10/01/2010

[Affix Notarial Seal, if any]

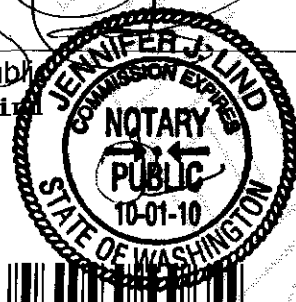


EXHIBIT A

This is Exhibit A a mortgage transaction in favor of **JPMorgan Chase Bank, N.A.**, dated **07/12/2007**, and executed by **JAY H KIM**.

Clerk: If detached from the above-described document, please return to
JPMorgan Chase Bank, N.A.
HE Post Closing, KY2-1606
PO Box 11606
Lexington, KY 40576-1606

Description of Property

LOTS 11 THROUGH 14, INCLUSIVE, BLOCK 1509, NORTHERN PACIFIC
ADDITION TO ANACORTES, AS PER PLAT RECORDED IN VOLUME 2 OF
PLATS, PAGE 9, RECORDS OF SKAGIT COUNTY, WASHINGTON,

EXCEPT THAT PORTION CONVEYED TO THE CITY OF ANACORTES BY
DEED RECORDED FEBRUARY 18, 2004, UNDER AUDITORS FILE
200402180142

SITUATE IN THE CITY OF ANACORTES, COUNTY OF SKAGIT, STATE OF
WASHINGTON.



200707170063
Skagit County Auditor