



200002090074  
Kathy Hill, Skagit County Auditor  
2/9/2000 Page 1 of 4 3:20:19PM

AFTER RECORDING, RETURN TO:

Bank of America NT&SA, Doing Business as Seafirst Bank  
Northwest Regional Loan Servicing Center, FAB - 19  
800 5th Avenue  
Seattle, WA 98124

Tax # 5100-002-307-0000

LAND TITLE COMPANY OF SKAGIT COUNTY

P-92037

MORTGAGE, ASSIGNMENT OF LEASE AND SECURITY AGREEMENT

THIS INDENTURE, made this 19th day of January,  
19 2000, by and between Walter R. Spencer and Shirley R. Taylor  
La Conner, County of Skagit, State of  
Washington, hereinafter called "Mortgagor," and Bank of America NT&SA, Doing Business as Seafirst Bank,  
hereinafter called "Mortgagee," at its La Conner Branch office in  
La conner, Washington,

WITNESSETH:

THE MORTGAGOR HEREBY MORTGAGES to the Mortgagee, its successors and assigns, the following described property, situated in the County of Skagit, State of Washington, to-wit:

LEASEHOLD ESTATE UNDER LEASE DATED AUGUST 16, 1968, EXECUTED BY THE SWINOMISH INDIAN TRIBAL COMMUNITY, ALVIN BOBB, CARY BOBB, MARGARET GAGLY, EMILY JOE, ET AL, LESSORS, AND INDIAN BAY COMPANY, LESSEE, RECORDED APRIL 8, 1969, UNDER AUDITOR'S FILE NO. 725143, AND SUPPLEMENT AND AMENDMENT OF LEASE DATED FEBRUARY 11, 1969, RECORDED MAY 14, 1969, UNDER AUDITOR'S FILE NO. 726476, COVERING THE FOLLOWING DESCRIBED PROPERTY:

LOT NO. 307, IN ACCORDANCE WITH SURVEY OF SHELTER BAY, DIVISION NO. 2, RECORDED June 27, 1969, UNDER AUDITOR'S FILE NO. 728258, AND THE RESURVEY RECORDED UNDER AUDITOR'S FILE NO. RECORDS OF SKAGIT COUNTY, WASHINGTON.

AND THE MORTGAGOR DOES HEREBY FURTHER SET OVER, TRANSFER, ASSIGN AND DELIVER TO THE MORTGAGEE, that certain "Shelter Bay Lease" (Sublease No. 307A) dated the 20th day of January, 19 73, executed by Shelter Bay Corporation, a Washington corporation, as Lessor, the Mortgagor herein, as Lessee, a memorandum of which said Lease was recorded on June 22, 19 73, under Skagit County Auditor's File No. 786858, covering the real property just hereinabove described, and under which said Lease the Mortgagor is presently and lawful in possession of the real property above described;

TOGETHER WITH all and singular the Improvements now or hereafter situated on said real property, and all fixtures, appliances, equipment and other property which is or shall be in any way attached to or part of, and used in connection with, said real property or any such Improvement, including, but without limiting the generality of the foregoing, (a) all plumbing, heating, lighting, incinerating, refrigerating, air cooling, air conditioning, fixtures, and equipment; (b) all engines, pipes, ducts, pumps, compressors, tanks, ventilators, motors, conduits, antennae, panels and switchboards; (c) all built-in stoves, dishwashers, refrigerators, and other appliances; (d) all partitions, cabinets, and wallbeds; and (e) any and all renewals, replacements, betterments, and substitutions made with respect to any and all of the foregoing;

AND THE MORTGAGOR HEREBY GRANTS TO MORTGAGEE A SECURITY INTEREST in and to all building materials, equipment, and other personal property at any time stored on the real property hereinabove described thereon which are intended to be incorporated into any Improvement thereon;

TOGETHER WITH all rights, title and interest in and to all of the foregoing properties and interests, real and/or personal, now owned or hereafter acquired, and all and singular the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining, all of which properties and interests are hereinafter referred to as the "mortgaged property."

In the event of any suit or other proceeding for recovery of said indebtedness and/or foreclosure of this indenture, or wherein Mortgagee shall appear to establish or protect the lien hereof, the Mortgagor agrees to pay to mortgagee a reasonable attorneys' fee, together with the cost of search and report on title preliminary to foreclosure, all of which sums shall be secured hereby.

All rights and remedies of Mortgagee shall be cumulative and none shall be deemed exhausted by the exercise thereof. No failure or omission on the part of the Mortgagee to exercise any such right or remedy upon default shall be deemed a waiver of its right to subsequently exercise the same with respect to the same or any other default or defaults which may at any time exist.

If any term provision, or condition of this indenture shall be finally adjudged to be unlawful or unenforceable, the same shall be deemed stricken herefrom and the balance of this indenture shall be and remain in full force and effect.

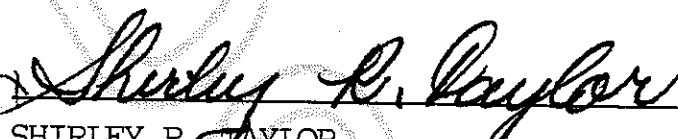
This indenture is binding on the heirs, personal representatives, successors and assigns of the Mortgagor, and shall inure to the benefit of Mortgagee, its successors and assigns. Words used herein shall take the singular or plural number as the number of parties hereto shall require, and if there is more than one signer as Mortgagor, there obligations hereunder shall be joint and several.

Time is of the essence of this indenture.

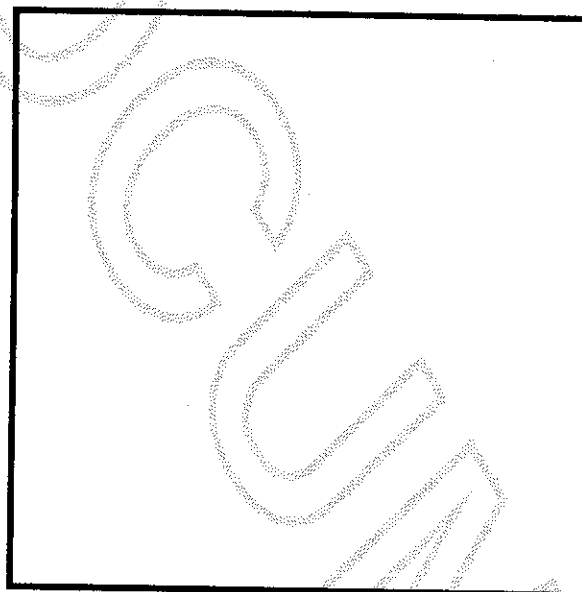
The within described mortgaged property is residential and recreational and is not used principally for agricultural or farming purposes.

IN WITNESS WHEREOF, the person(s) designated as Mortgagor have executed this indenture in four (4) counterparts, the day and year first above written.

  
WALTER R. SPENCER

  
SHIRLEY R. TAYLOR

FOR RECORDING PURPOSES, DO NOT WRITE,  
SIGN OR STAMP WITHIN THE ONE INCH TOP,  
BOTTOM AND SIDE MARGINS OR AFFIX ANY  
ATTACHMENTS.




THIS SPACE FOR NOTARY STAMP

STATE OF WASHINGTON )  
 ) ss.  
County of Skagit )

On this day personally appeared before me Walter R. Spencer and Shirley R. Taylor, to me know to be the individual s described in and who executed the within and foregoing MORTGAGE, ASSIGNMENT OF LEASE AND SECURITY AGREEMENT, and acknowledge that the y signed the same as their free and voluntary act and deed, for the uses and purposed therein mentioned.

GIVEN under my hand and official seal this 19th day of January, 2000  
19 \_\_\_\_\_

  
Candace M. Taylor

Notary Public in and for the State of Washington,  
residing at Mount Vernon

Exp. 01/01/01

Page 3 of 4



200002090074

## AGREEMENT OF LESSOR

THE UNDERSIGNED, SHELTER BAY CORPORATION, a Washington corporation, the Lessor of that certain "Shelter Bay Lease" (the "Lease" herein) described in the within and foregoing "Mortgage, Assignment of Lease and Security Agreement" (the "Encumbrance" herein), does state and agree as follows:

1. That the Encumbrance is hereby approved;
2. That, to the best of its knowledge and belief, the Lease, and the "Master Lease" therein referred to, are currently in all respects fully performed and free of any default on the part of the respective lessees thereof;
3. That a default on the part of the Lessee with respect to the Encumbrance, of which the undersigned receives written notice, will be deemed and enforced by the undersigned as a default under the Lease; that it will send copies of any and all notices of default under the Lease to the holder of the Encumbrance at the address shown therein, or to such other address as the holder shall in writing designate; and, if as and when the property shall be repossessed by the undersigned, such repossession and any subsequent releasing or other disposition of the property of of the Lease will in all respects be subject to the Encumbrance;
4. Neither the holder of the Encumbrance, nor any person claiming by, through, or under the Encumbrance, including the purchaser at any sale in foreclosure thereof, shall be deemed to have "acquired" the property or the lease-hold encumbered unless such acquisition shall have as an incident thereto the unrestricted right of possession of the property.

DATED this 24th day of January, ~~xx~~ 19 2000.

SHELTER BAY COMPANY

By

Its Grant T. Osberg, Secretary / Treasurer

APPROVAL OF ENCUMBRANCE

This form and terms of the within and foregoing Encumbrance are approved this \_\_\_\_\_ day of \_\_\_\_\_, 19 \_\_\_\_\_.

UNITED STATES DEPARTMENT OF THE INTERIOR  
BUREAU OF INDIAN AFFAIRS

By \_\_\_\_\_

Title \_\_\_\_\_



200002090074

Kathy Hill, Skagit County Auditor

2/9/2000 Page 3 of 4 3:20:19PM

Consent to Encumber Leasehold Interest

In Accordance with 25 CFR 162.12(c) the following language is being added to the Assignment of Lease for \_\_\_\_\_, sub-lessees of Shelter Bay lease:

With the consent of the Secretary of the Interior acting on behalf of the Indians of the Puget Sound Agency, the lease may contain provisions authorizing the lessee to encumber his/her leasehold interest in the premises for the purpose of borrowing capital for the development and improvement of the leasehold premises. The encumbrance instrument must be approved by the Secretary. If a sale or foreclosure under the approved encumbrance occurs and the encumbrancer is the purchaser he may assign the leasehold with the approval of the Secretary and the consent of the other parties to the lease. Provided however, if the purchaser is a party other than the encumbrancer, approval by the Secretary of any assignment will be required, and such purchaser will be bound by the terms of the lease and will assume in writing all the obligations thereunder.

Wab R. Spurr

Shirley R. Taylor

FEB - 4 2000

This consent to encumber is hereby approved, effective \_\_\_\_\_

Jill A. Black

Superintendent, Puget Sound Agency



200002090074

Kathy Hill, Skagit County Auditor  
2/9/2000 Page 4 of 4 3:20:19PM