

UNOFFICIAL
200210300186
Skagit County Auditor
10/30/2002 Page 1 of 16 4:08PM

After recording, return to:
FIRST HORIZON HOME LOAN CORPORATION
10741 KING WILLIAM DRIVE
DALLAS, TEXAS 75220
ATTN: POST CLOSING MAIL CENTER 6708

**DEED OF TRUST
(WASHINGTON)**

C24442

THIS DEED OF TRUST is made on this **22ND** day of **OCTOBER, 2002**

The grantor is **WILLIAM E. BOYD and VERLA M. BOYD TRUSTEES OF THE BOYD FAMILY TRUST UNDER TRUST INSTRUMENT DATED FEBRUARY 8, 1997, FOR THE BENEFIT OF WILLIAM BOYD AND VERLA BOYD**

The trustee is **ISLAND TITLE COMPANY, 3110 COMMERCIAL, SUITE 101, ANACORTES, WASHINGTON 98221** ("Trustee").

The beneficiary is **FIRST HORIZON CORPORATION d/b/a FIRST HORIZON HOME LOANS**

whose address is **4000 HORIZON WAY, IRVING, TEXAS 75063**

In this Deed of Trust, the terms "you", "yours" refer to the grantor(s). The terms "we", "us" and "our" refer to **FIRST HORIZON CORPORATION d/b/a FIRST HORIZON HOME LOANS** and its successors and assigns.

Pursuant to the Credit Agreement, you may incur indebtedness in amounts fluctuating from time to time up to the maximum aggregate principal amount of **ONE HUNDRED TWENTY-FIVE THOUSAND SEVEN HUNDRED AND 00/100ths** Dollars (U.S. \$ **125,700.00**).
The Credit Agreement provides for the full debt to be paid by you in full no later than **NOVEMBER 1, 2022**

You agree that this Deed of Trust shall continue to secure all sums now or hereafter advanced under the terms of the Credit Agreement including, without limitation, such sums that are advanced to you whether or not at the time the sums are advanced there is any principal sum outstanding under the Credit Agreement.

This Deed of Trust secures to us: (a) the repayment of the debt evidenced by the Credit Agreement, with interest, and all refinancings, renewals, extensions and modifications of the Credit Agreement; (b) the payment of all other sums, with interest, advanced under paragraph 7 of 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 Credit Agreement. For this purpose and in consideration of the debt, you irrevocably grant and convey to the Trustee, in trust, with power of sale, the property located in the state of Washington. To wit:
LOT 31, PLAT OF SEAVIEW DIV. NO. 3, ACCORDING TO THE PLAT THEREOF, RECORDED IN VOLUME 14 OF PLATS, PAGES 99 AND 100, RECORDS OF SKAGIT COUNTY, WASHINGTON.

SITUATED IN SKAGIT COUNTY, WASHINGTON.

Tax Parcel Number:

Which property has the address of: **3922 BAY LANE**
ANACORTES, WASHINGTON 98221

“Property Address”.

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, 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 seized 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 further represent and warrant to us that the property is not used principally for agricultural or farming purposes.

YOU AND WE covenant and agree as follows:

1. **Payment of Principal, Interest and Other Charges.** You shall pay when due the principal and interest owing under the Credit Agreement and all other charges due under the Credit Agreement.
2. **Payments 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 and mortgage insurance (if any).
3. **Application of Payments.** Unless applicable law provides otherwise, all payments received by us under the Credit Agreement and paragraph 1 may be applied by us first to interest and other charges payable under the Credit Agreement and then to the remaining principal balance under the Credit Agreement.
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 or any advance under 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 paragraph 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 or any advance to be made under the Credit Agreement or 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. This insurance shall be maintained in the amounts and for the periods that we require. You may choose the insurer.

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. 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 we determine that 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 expenses paid to you. If you abandon the Property, or do not answer with 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. 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.

6. **Preservation and Maintenance of Property; Leaseholds.** You shall not destroy, damage or substantially change the Property, allow the Property to deteriorate, or commit waste. If this Deed of Trust is on a leasehold, you shall comply with the lease. If you acquire fee 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; Mortgage Insurance.** 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 the 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 Credit Agreement or this Deed of Trust, appearing in court, paying reasonable attorney's 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 paragraph. Any amounts we pay under this paragraph 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 Credit Agreement and shall be payable, with interest, upon our request.

If we require mortgage insurance as a condition of making the loan secured by this Deed of Trust, you shall pay the premiums for such insurance until such time as the requirement for the insurance terminates.

8. **Inspection.** We may inspect the Property 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 to us and shall be paid to us.
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 Assign Bound; Joint and Several Liability; Co-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 co-signs this Deed of Trust but does not execute the Credit Agreement: (a) is co-signing this Deed of Trust only to mortgage, grant and convey such person's interest in the Property; (b) is not personally obligated to pay the Credit Agreement, 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 Credit Agreement 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 Credit Agreement 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 Credit Agreement.
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 Property Address or any other address you designate by written notice to us.
14. **Governing Law; Severability.** This Deed of Trust shall be governed by federal law and, except as preempted by federal law, by the law of jurisdiction in which the Property is located. In the event that any provision or clause of this Deed of Trust or the Credit Agreement conflicts with applicable law, such conflict shall not affect other provisions of the Deed of Trust or the Credit Agreement which can be given effect without the conflicting provision. To this end the provisions of this Deed of Trust and the Credit Agreement 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, which may be withheld or granted as we may determine in our sole unfettered discretion, 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 Agreement; Change of Loan Servicer.** The Credit Agreement or a partial interest in the Credit Agreement (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 Credit Agreement and this Deed of Trust. There also may be one or more changes of the Loan Servicer unrelated to the sale of the Credit Agreement. 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 is 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.** You will be in default if (1) any payment required by the Credit Agreement is not made when it is due; (2) we discover that you have committed fraud or made a material misrepresentation; or (3) you take any action or fail to take any action that adversely affects our security for the Credit Agreement or any right we have in the Property; or (4) any event occurs that permits us to accelerate the amounts due under the Credit Agreement. If a default occurs, we will give you notice specifying among other matters required by law: (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 any right to reinstate after acceleration and the right to assert in the foreclosure proceeding the non-existence of a default or any other defense you have to acceleration and sale. If the default is not cured on or before the date specified in the notice, we at our option may 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 paragraph 18, including, but not limited to, reasonable attorneys' fees at trial and in any appeal and cost of title evidence. The power of sale conferred by this Deed of Trust and by applicable law is not an exclusive remedy; we may cause this Deed of Trust to be foreclosed as a mortgage.

If we invoke the power of sale, we shall mail or cause the Trustee to mail a notice of sale to you in the manner prescribed by applicable law. The Trustee shall give a notice of sale by public advertisement for the time and in the manner prescribed by applicable law. The 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 the Trustee determines. The Trustee may postpone sale of all or any parcel of the Property by public announcement at the time and place of any previously scheduled sale. We or our designee may purchase the Property at any sale.

The Trustee shall deliver to the purchaser the 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. The 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 attorneys' fees and the Trustee's fees as determined in accordance with applicable law; (b) to all sums secured by this Deed of Trust; and (c) the surplus, if any, shall be deposited with the clerk of the court of the county in which the Property is located.

19. **Release.** Upon your request and payment of all sums secured by this Deed of Trust, we shall request the Trustee to reconvey your estate in the Property to you upon payment to the Trustee of such compensation as the Trustee may be entitled under applicable law. We will also mark the Credit Agreement "paid" and return the Credit Agreement to you. You shall pay any recordation costs.
20. **Substitute Trustee.** We, at our option, may from time to time remove the Trustee and appoint a successor trustee to any Trustee appointed hereunder by an instrument recorded in the city or county in which this Deed of Trust is recorded. 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.
21. **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 part of this Deed of Trust.

Condominium Rider 1-4 Family Rider Planned Unit Development Rider
 Other(s) (specify)

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

William E Boyd TEE
WILLIAM E. BOYD Grantor

Verla M Boyd TEE
VERLA M. BOYD Grantor

Grantor

Grantor



200210300186
Skagit County Auditor

10/30/2002 Page 6 of 16 4:08PM

STATE OF WASHINGTON

COUNTY OF Skagit

I certify that I know or have satisfactory evidence that William E. Boyd

& Verla M. Boyd ~~are~~ ^{is} the person^s who appeared before me, and said person acknowledged that they signed this instrument, on oath stated that

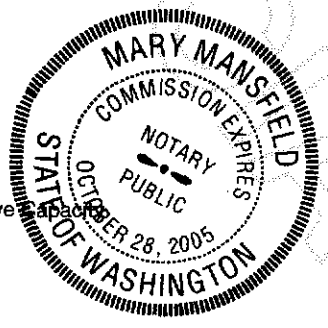
they were ~~was~~ authorized to execute the instrument and acknowledged it as trustees

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

DATED: 10-25-02

Mary Mansfield
Notary Public

My appointment expires 10-28-05



A-7 -Representative Capacity

UNRECORDED DOCUMENT



200210300186
Skagit County Auditor

PLANNED UNIT DEVELOPMENT RIDER

THIS PLANNED UNIT DEVELOPMENT RIDER is made this 22ND day of OCTOBER, 2002, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust, or Security Deed (the "Security Instrument") of the same date, given by the undersigned (the "Borrower") to secure Borrower's Note to FIRST HORIZON CORPORATION D/B/A FIRST HORIZON HOME LOANS (the "Lender") of the same date and covering the Property described in the Security Instrument and located at:

3922 BAY LANE, ANACORTES, WASHINGTON 98221

[Property Address]

The Property includes, but is not limited to, a parcel of land improved with a dwelling, together with other such parcels and certain common areas and facilities, as described in _____

(the "Declaration"). The Property is a part of a planned unit development known as SEAVIEW DIV NO. 3

[Name of Planned Unit Development]

(the "PUD"). The Property also includes Borrower's interest in the homeowners association or equivalent entity owning or managing the common areas and facilities of the PUD (the "Owners Association") and the uses, benefits and proceeds of Borrower's interest.

PUD COVENANTS. In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

A. PUD Obligations. Borrower shall perform all of Borrower's obligations under the PUD's Constituent Documents. The "Constituent Documents" are the: (i) Declaration; (ii) articles of incorporation, trust instrument or any equivalent document which creates the Owners Association; and (iii) any by-laws or other rules or regulations of the Owners Association. Borrower shall promptly pay, when due, all dues and assessments imposed pursuant to the Constituent Documents.

B. Property Insurance. So long as the Owners Association maintains, with a generally accepted insurance carrier, a "master" or "blanket" policy insuring the Property which is satisfactory to Lender and which provides insurance coverage in the amounts (including deductible levels), for the periods, and against loss by fire, hazards included within the term "extended coverage," and any other hazards, including, but not limited to, earthquakes and floods, for which Lender requires insurance, then: (i) Lender waives the provision in Section 3 for the Periodic Payment to Lender of the yearly premium installments for property insurance on the Property; and (ii) Borrower's obligation under Section 5 to maintain property insurance coverage on the Property is deemed satisfied to the extent that the required coverage is provided by the Owners Association policy.

What Lender requires as a condition of this waiver can change during the term of the loan.

Borrower shall give Lender prompt notice of any lapse in required property insurance coverage provided by the master or blanket policy.

In the event of a distribution of property insurance proceeds in lieu of restoration or repair following a loss to the Property, or to common areas and facilities of the PUD, any proceeds payable to Borrower are hereby assigned and shall be paid to Lender. Lender shall apply the proceeds to the sums secured by the Security Instrument, whether or not then due, with the excess, if any, paid to Borrower.



200210300186

Skagit County Auditor


C. Public Liability Insurance. Borrower shall take such actions as may be reasonable to insure that the Owners Association maintains a public liability insurance policy acceptable in form, amount, and extent of coverage to Lender.

D. Condemnation. The proceeds of any award or claim for damages, direct or consequential, payable to Borrower in connection with any condemnation or other taking of all or any part of the Property or the common areas and facilities of the PUD, or for any conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender. Such proceeds shall be applied by Lender to the sums secured by the Security Instrument as provided in Section 11.

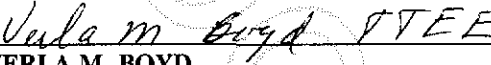
E. Lender's Prior Consent. Borrower shall not, except after notice to Lender and with Lender's prior written consent, either partition or subdivide the Property or consent to: (i) the abandonment or termination of the PUD, except for abandonment or termination required by law in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain; (ii) any amendment to any provision of the "Constituent Documents" if the provision is for the express benefit of Lender; (iii) termination of professional management and assumption of self-management of the Owners Association; or (iv) any action which would have the effect of rendering the public liability insurance coverage maintained by the Owners Association unacceptable to Lender.

F. Remedies. If Borrower does not pay PUD dues and assessments when due, then Lender may pay them. Any amounts disbursed by Lender under this paragraph F shall become additional debt of Borrower secured by the Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and provisions contained in this PUD Rider.



WILLIAM E. BOYD (Seal)
-Borrower



VERLA M. BOYD (Seal)
-Borrower



200210300186
Skagit County Auditor

10/30/2002 Page 9 of 16 4:08PM

RIDER TO SECURITY INSTRUMENT

Loan No. 0040183147

Date: **OCTOBER 22, 2002**

The escrow of taxes and insurance required in Paragraph 2 of your Security Instrument (Deed of Trust/Mortgage/Security Deed) to First Horizon Corporation d/b/a First Horizon Home Loans (Lender), is hereby waived and you are notified that you are not required to deposit with Lender any of the amounts set forth in said paragraph, provided:

- (a) Escrows for future taxes and insurance premiums are being collected and maintained by the holder or servicer of the mortgage loan superior to our lien; or
- (b) If you pay your own taxes and insurance premiums, you fulfill your obligation to keep taxes and insurance premiums current with respect to the property secured hereby.

This waiver does not, in any way, release you from your obligation to make escrow payments of taxes and insurance to the holder of any prior mortgage, nor does it relieve you of your obligation to keep taxes and insurance premiums current with respect to the secured property.

All payments will be applied first to the accrued interest and next to the unpaid principal of your loan. The exact amount of your final payment, finance charge, and total of payments will be somewhat more or less than the amounts shown if we do not receive each payment on the scheduled payment date.

RECEIPT ACKNOWLEDGED:

William E. Boyd TEE
WILLIAM E. BOYD

10/25/02
DATE

Verla M. Boyd TEE
VERLA M. BOYD

10-25-02
DATE

DATE

DATE

DATE

DATE



200210300186
Skagit County Auditor


RIDER TO SECURITY INSTRUMENT

Loan Number 0040183147

BY SIGNING BELOW, the undersigned Trustor(s) of the **BOYD FAMILY TRUST** under trust instrument dated **FEBRUARY 8, 1997**, for the benefit of **WILLIAM BOYD AND VERLA BOYD** acknowledge(s) all of the terms and covenants contained in this Security Instrument and any rider(s) thereto and agree to be bound thereby.

William E Boyd TTEE (Seal)
WILLIAM E. BOYD

Verla M. Boyd TTEE (Seal)
VERLA M. BOYD


200210300186
Skagit County Auditor
10/30/2002 Page 11 of 16 4:08PM

SIGNATURE PAGE ATTACHMENT

Loan Number 0040183147

BY SIGNING BELOW, the Borrower(s) accept(s) and agree(s) to the terms and covenants set forth herein and in any rider(s) executed by Borrower(s) here attached.

WILLIAM E. BOYD and VERLA M. BOYD Trustee(s) of the BOYD FAMILY TRUST, under the trust instrument dated FEBRUARY 8, 1997 for the benefit of WILLIAM BOYD AND VERLA BOYD.

BY SIGNING BELOW, the undersigned, Settlor(s) of the BOYD FAMILY TRUST under trust instrument dated FEBRUARY 8, 1997 for the benefit of WILLIAM BOYD AND VERLA BOYD acknowledge(s) all of the terms and covenants contained in this document and in any rider(s) thereto and agree(s) to be bound thereby.

William E Boyd TEE 10/25/02
WILLIAM E. BOYD -Date

Verla M Boyd TEE 10-25-02
VERLA M. BOYD -Date

-Date

-Date



200210300186
Skagit County Auditor

10/30/2002 Page 12 of 16 4:08PM

**INTER VIVOS REVOCABLE TRUST AS BORROWER -
ACKNOWLEDGMENT**

Loan Number 0040183147

BY SIGNING BELOW, the undersigned, **WILLIAM E. BOYD and VERLA M. BOYD** Settlor(s) of the **BOYD FAMILY TRUST** under trust instrument dated **FEBRUARY 8, 1997**, for the benefit of **WILLIAM BOYD AND VERLA BOYD**

acknowledges all of the terms and covenants contained in this Security Instrument and any rider(s) thereto and agrees to be bound thereby.

William E. Boyd TTEE

WILLIAM E. BOYD -Trust Settlor

Verla M. Boyd TTEE

VERLA M. BOYD -Trust Settlor

-Trust Settlor

-Trust Settlor



200210300186
Skagit County Auditor

10/30/2002 Page 13 of 16 4:08PM

INTER VIVOS REVOCABLE TRUST RIDER

Loan Number 0040183147

DEFINITIONS USED IN THIS RIDER.

(A) "Revocable Trust." The **BOYD FAMILY TRUST** Trust created under trust instrument dated **FEBRUARY 8, 1997**, for the benefit of **WILLIAM BOYD AND VERLA BOYD**

(B) "Revocable Trust Trustee(s)." **WILLIAM E. BOYD and VERLA M. BOYD**, trustee(s) of the Revocable Trust.

(C) "Revocable Trust Settlor(s)." **WILLIAM E. BOYD and VERLA M. BOYD**, settlor(s) of the Revocable Trust signing below.

(D) "Lender." **FIRST HORIZON CORPORATION D/B/A FIRST HORIZON HOME LOANS**

(E) "Security Instrument." The Deed of Trust, Mortgage or Security Deed and any riders thereto of the same date as this Rider given to secure the Note to the Lender of the same date made by the Revocable Trust, the Revocable Trust Trustee(s) and the Revocable Trust Settlor(s) and any other natural person signing such Note and covering the Property (as defined below).

(F) "Property." The property described in the Security Instrument and located at:

3922 BAY LANE, ANACORTES, WASHINGTON 98221
[Property Address]

THIS INTER VIVOS REVOCABLE TRUST RIDER is made this **22ND** day of **OCTOBER, 2002**, and is incorporated into and shall be deemed to amend and supplement the Security Instrument.

ADDITIONAL COVENANTS. In addition to the covenants and agreements made in the Security Instrument, the Revocable Trust Trustee(s), and the Revocable Trust Settlor(s) and the Lender further covenant and agree as follows:

A. INTER VIVOS REVOCABLE TRUST.

1. CERTIFICATION AND WARRANTIES OF REVOCABLE TRUST TRUSTEE(S).

The Revocable Trust Trustee(s) certify to the Lender that the Revocable Trust is an inter vivos revocable trust for which the Revocable Trust Trustee(s) are holding full title to the Property as trustee(s).



200210300186
Skagit County Auditor

10/30/2002 Page 14 of 16 4:08PM

The Revocable Trust Trustee(s) warrants to the Lender that (I) the Revocable Trust is validly created under the laws of the State of California; (ii) the trust instrument creating the Revocable Trust is in full force and effect and there are no amendments or other modifications to the trust instrument affecting the revocability of the Revocable Trust; (iii) the Property is located in the State of WASHINGTON; (iv) the Revocable Trust Trustee(s) have full power and authority as trustee(s) under the trust instrument creating the Revocable Trust and under applicable law to execute the Security Instrument, including this Rider; (v) the Revocable Trust Trustee(s) have executed the Security Instrument, including this Rider, on behalf of the Revocable Trust; (vi) the Revocable Trust Settlor(s) have executed the Security Instrument, including this Rider, acknowledging all of the terms and conditions contained therein and agreeing to be bound thereby; (vii) only the Revocable Trust Settlor(s) and the Revocable Trust Trustee(s) may hold any power of direction over the Revocable Trust; (viii) only the Revocable Trust Settlor(s) hold the power to direct the Trustee(s) in the management of the Property; (ix) only the Revocable Trust Settlor(s) hold the power of revocation over the Revocable Trust; and (x) the Revocable Trust Trustee(s) have not been notified of the existence or assertion of any lien, encumbrance or claim against any beneficial interest in, or transfer of all or any portion of any beneficial interest in or powers of direction over the Revocable Trust Trustee(s) or the Revocable Trust, as the case may be, or power of revocation over the Revocable Trust.

2. NOTICE OF CHANGES TO REVOCABLE TRUST AND TRANSFER OF POWERS OVER REVOCABLE TRUST TRUSTEE(S) OR REVOCABLE TRUST OR BOTH; NOTICE OF CHANGE OF REVOCABLE TRUST TRUSTEE(S); NOTICE OF CHANGE OF OCCUPANCY OF THE PROPERTY; NOTICE OF TRANSFER OF BENEFICIAL INTEREST IN REVOCABLE TRUST.

The Revocable Trust Trustee(s) shall provide timely notice to the Lender promptly upon notice or knowledge of any revocation or termination of the Revocable Trust, or of any change in the holders of the powers of direction over the Revocable Trust Trustee(s) or the Revocable Trust, as the case may be, or of any change in the holders of the power of revocation over the Revocable Trust, or both, or of any change in the trustee(s) of the Revocable Trust (whether such change is temporary or permanent), or of any change in the occupancy of the Property, or of any sale, transfer, assignment or other disposition (whether by operation of law or otherwise) of any beneficial interest in the Revocable Trust.

B. ADDITIONAL BORROWER(S).

The term "Borrower" when used in the Security Instrument shall refer to the Revocable Trust, the Revocable Trust Trustee(s) and the Revocable Trust Settlor(s), jointly and severally. Each party signing this Rider below (whether by accepting and agreeing to the terms and covenants contained herein or by acknowledging all of the terms and covenants contained herein and agreeing to be bound thereby, or both) covenants and agrees that, whether or not such party is named as "Borrower" on the first page of the Security Instrument, each covenant and agreement and undertaking of the "Borrower" in the Security Instrument shall be such party's covenant and agreement and undertaking as "Borrower" and shall be enforceable by the Lender as if such party were named as "Borrower" in the Security Instrument.

C. TRANSFER OF THE PROPERTY OR A BENEFICIAL INTEREST IN THE REVOCABLE TRUST.

Uniform Covenant 17 of the Security Instrument is amended to read as follows:

Transfer of Beneficial Interest; Transfer of the Property.

If, without the Lender's prior written consent, (i) all or any part of the Property or any interest in the Property is sold or transferred or (ii) there is a sale, transfer, assignment or other disposition of any beneficial interest in the Revocable Trust, the Lender may, at its option, require immediate payment in full of all sums secured by the Security Instrument. However, this option shall not be exercised by the Lender if exercise is prohibited by federal law as of the date of the Security Instrument.



If the Lender exercises this option, the Lender shall give the Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which the Borrower must pay all sums secured by the Security Instrument. If the Borrower fails to pay all sums secured prior to the expiration of this period, the Lender may invoke any and all remedies permitted by the Security Instrument without further notice or demand on the Borrower.

BY SIGNING BELOW, the Revocable Trust Trustee(s) accepts and agrees to the terms and covenants contained in this Inter Vivos Revocable Trust Rider.

X William E Boyd TFE,
Trustee of the BOYD FAMILY TRUST Trust under
trust instrument dated FEBRUARY 8, 1997 for the
benefit of WILLIAM BOYD AND VERLA BOYD

X _____,
Trustee of the BOYD FAMILY TRUST Trust under
trust instrument dated FEBRUARY 8, 1997 for the
benefit of WILLIAM BOYD AND VERLA BOYD

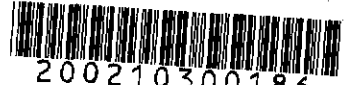
William E Boyd
WILLIAM E. BOYD -Borrower

VERLA M. BOYD -Borrower

BY SIGNING BELOW, the undersigned Revocable Trust Settlor(s) acknowledges all of the terms and covenants contained in this Inter Vivos Revocable Trust Rider and agrees to be bound thereby.

X William E Boyd TFE (Seal)
-Revocable Trust Settlor
WILLIAM E. BOYD

X Verla M Boyd TFE (Seal)
-Revocable Trust Settlor
VERLA M. BOYD


200210300186
Skagit County Auditor
10/30/2002 Page 16 of 16 4:08PM