



200309050108

Skagit County Auditor

9/5/2003 Page

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9 12:05PM

WHEN RECORDED MAIL TO:

Bank of America Consumer Collateral Tracking

FL9-700 04-01

9000 Southside Blvd, Bldg 700

Jacksonville, FL 32256

LAND TITLE COMPANY OF SKAGIT COUNTY

D8552PE

Account Number: 35300007018309265
CAP Number: 031781637180
Date Printed: 08/13/03
Reconveyance Fee: \$ 0.00

DEED OF TRUST

THIS DEED OF TRUST is granted this 13th day of August, 2003,
by WALTER R. SPENCER AND SHIRLEY R. TAYLOR, HUSBAND AND WIFE

("Grantor") to PRLAP, Inc. ("Trustee"), whose address is 10850 White Rock Road, Ste. 201 Rancho Cordova, CA 95670, in trust for Bank of America, N.A., ("Beneficiary"), at its LACONNER BANKING CENTER office. "Grantor" herein shall mean each of them jointly and severally. Grantor agrees as follows:

1. CONVEYANCE. Grantor hereby bargains, sells and conveys to Trustee in trust, with power of sale, all of Grantor's right, title and interest in the following described real property ("Property"), whether now owned or later acquired, located at

306 SNOHOMISH DRIVE, LA CONNER, WA 98257

(NUMBER)

(STREET)

(CITY)

(ZIP CODE)

in SKAGIT County, Washington and legally described as:

LOT 306, "REVISED MAP OF SURVEY OF SHELTER BAY DIV. 2, TRIBAL AND ALLOTTED LANDS OF SWINOMISH INDIAN RESERVATION," AS RECORDED IN VOLUME 43 OF OFFICIAL RECORDS, PAGE 833, RECORDS OF SKAGIT COUNTY, WASHINGTON.
SITUATE IN THE COUNTY OF SKAGIT, STATE OF WASHINGTON.

Property Tax ID # 5100-002-306-0000

together with all equipment and fixtures, now or later attached to the Property; all easements, tenements, hereditaments and appurtenances, now or later in any way appertaining to the Property; all royalties, mineral, oil and gas rights and profits derived from or in any way connected with the Property; all water and ditch rights, however evidenced, used in or appurtenant to the Property; and all leasehold interests, rents, payments, issues and profits derived from or in any way connected with the Property.

2. ASSIGNMENT OF RENTS.

2.1 ASSIGNMENT. Grantor further assigns to Beneficiary all of Grantor's interest in all existing and future leases, licenses and other agreements for the use or occupancy of the Property ("Contracts"), including the immediate and continuing right to collect, in either Grantor's or Beneficiary's name, all rents, receipts, income and other payments due or to become due under the Contracts ("Payments"). As long as there is no default under this Deed of Trust, Grantor is granted a license to collect the Payments, but such license shall not constitute Beneficiary's consent to Grantor's use of the Payments in any bankruptcy proceeding.

2.2 DISCLAIMER. Nothing contained in this Deed of Trust shall be construed as obligating Beneficiary or any receiver to take any action to enforce any provision of the Contracts, expend any money, incur any expense or perform any obligation under the Contracts. Beneficiary's duties are expressly limited to giving of proper credit for all Payments received by it.

Reference No: 013002 - 031781637180
CLS3183-1 /0006/WA/ID 03-02
93-05-3183NSB

Washington

3. SECURED OBLIGATIONS. This Deed of Trust secures performance of each agreement made by Grantor contained in this Deed of Trust and the payment of the sum of Fifty Seven Thousand Two Hundred and 00/100'S Dollars. (\$ 57,200.00) with interest thereon as evidenced by a promissory note(s) signed on _____, payable to Beneficiary or order and made by Grantor, and including all renewals, modifications and extensions thereof together with any payments made pursuant to paragraph 10.3 hereof ("Secured Obligations"). Nothing contained in this Deed of Trust shall be construed as obligating Beneficiary to make any renewal, modification, extension or future advance to Grantor. Grantor hereby consents to the filing for record by Beneficiary of an extension of this Deed of Trust if prior to the Maturity Date the secured obligations remain outstanding.

4. AFFIRMATIVE COVENANTS. Grantor shall:

4.1 MAINTENANCE OF PROPERTY. Maintain and preserve the Property in good condition and repair, ordinary wear and tear excepted; complete any improvement which may be constructed on the Property; and restore any improvement which may be damaged or destroyed;

4.2 COMPLIANCE WITH LAWS. Comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting the Property;

4.3 REAL ESTATE INTERESTS. Perform all obligations to be performed by Grantor under the Contracts;

4.4 PAYMENT OF DEBTS AND TAXES. Pay promptly all obligations secured by the Property; all taxes, assessments and governmental liens or charges levied against the Property; and all claims for labor, materials, supplies or otherwise which, if unpaid, might become a lien or charge upon the Property;

4.5 INSURANCE. Insure continuously, with financially sound and reputable insurers acceptable to Beneficiary, all improvements on the Property against all risks, casualties and losses through standard fire and extended coverage insurance or otherwise, including, without limitation, insurance against fire, theft, casualty, vandalism and any other risk Beneficiary may reasonably request. The insurance policies shall be in an aggregate amount of not less than the full replacement cost of all improvements on the Property, including the cost of demolition and removal of debris, and shall name Beneficiary as loss payee, as its interest may appear. The amounts collected under the insurance policies may be applied to the Secured Obligations in any manner as Beneficiary determines, and such application shall not cause discontinuance of any proceeding to foreclose upon this Deed of Trust. In the event of foreclosure, all of Grantor's rights in the insurance policies shall pass to purchaser at the foreclosure sale;

4.6 HAZARDOUS WASTE. Notify Beneficiary within twenty-four (24) hours of any release of a reportable quantity of any hazardous or regulated substance, or of the receipt by Grantor of any notice, order or communication from any governmental authority which relates to the existence of or potential for environmental pollution of any kind existing on the Property, or results from the use of the Property or any surrounding property; and

4.7 COSTS AND EXPENSES. Pay, reimburse and indemnify Beneficiary for all of Beneficiary's reasonable costs and expenses incurred in connection with foreclosing upon this Deed of Trust, defending any action or proceeding purporting to affect the rights or duties of Beneficiary or Trustee under this Deed of Trust, or managing the Property and collecting the Payments, including, without limitation, all attorneys' fees and value of the services of staff counsel, legal expenses, collection costs, costs of title search, and trustee's and receiver's fees to the maximum extent allowable by law.

5. NEGATIVE COVENANTS. Grantor shall not without Beneficiary's prior written consent:

5.1 PAYMENTS. Accept or collect Payments more than one (1) month in advance of the due date;

5.2 MODIFY CONTRACTS. Terminate, modify or amend any provision of the Contracts; or

5.3 RESTRICTIONS ON CONVEYANCES. Transfer or convey any interest in the Property, except by will or intestacy.

6. EMINENT DOMAIN. In the event any portion of the Property is taken through eminent domain, the amount of the award to which Grantor is entitled shall be applied to the Secured Obligations.

7. RECONVEYANCE. Trustee shall reconvey such portion of the Property to the person entitled thereto upon written request of Beneficiary, or upon satisfaction of the Secured Obligations and written request for reconveyance made by Beneficiary or any person interested in the Property.

8. SUCCESSOR TRUSTEE. In the event of death, incapacity, disability or resignation of the Trustee, Beneficiary may appoint a successor trustee and, upon the recording of such appointment in the records of the county in which this Deed of Trust is recorded, the successor trustee shall be vested with all powers of the original Trustee.



9. EVENTS OF DEFAULT. The occurrence of any of the following events shall, at Beneficiary's option, and at any time without regard to any previous knowledge on Beneficiary's part, constitute a default under the terms of this Deed of Trust, the Secured Obligations and all related loan documents:

9.1 NON-PAYMENT OF PRINCIPAL OR INTEREST. Any payment of principal or interest on the Secured Obligations is not made when due; or

9.2 FAILURE TO PERFORM. Any tax, assessment, insurance premium, lien, encumbrance or other charge against the Property, or any payment under a real estate contract covering the Property is not paid when due; or any other term, covenant or agreement of Grantor contained in this Deed of Trust or in any other document with Beneficiary, or in which Grantor grants a security interest in the Property, is not promptly performed or satisfied.

10. REMEDIES UPON DEFAULT. If any default occurs and is continuing, Beneficiary may, at its option:

10.1 TERMINATE COMMITMENT. Terminate any outstanding and unfulfilled commitment to Grantor;

10.2 ACCELERATE. Declare any or all of the Secured Obligations, together with all accrued interest, to be immediately due and payable without presentment, demand, protest or notice of any kind, all of which are expressly waived by Grantor;

10.3 PAYMENTS. Pay such sums as may be necessary to pay any tax, assessment, insurance premium, lien, encumbrance or other charge against the Property, or any payment under a real estate contract covering the Property, without prejudice to Beneficiary's right to accelerate the Secured Obligations and foreclose upon this Deed of Trust. Grantor shall reimburse Beneficiary, upon demand, for all such amounts paid by Beneficiary, with interest thereon from the date of such payment at the highest rate that is, from time to time, applicable on any of the Secured Obligations. All unreimbursed amounts shall be added to and become a part of the Secured Obligations;

10.4 COLLECTION OF PAYMENTS. Terminate the license granted to Grantor to collect the Payments; take possession of, manage and operate the Property under the terms of the Contracts; and demand and collect all Payments, including endorsing any check, draft or other instrument given as payment, either by itself or through an agent or judicially-appointed receiver. The Payments shall be applied first to payment of the costs of managing the Property and collecting the Payments, and then to the Secured Obligations;

10.5 TRUSTEE'S SALE. Direct the Trustee, upon written request, to sell the Property and apply the sale proceeds in accordance with Washington's Deed of Trust Act (RCW 61.24.010, et seq.). Any person, except Trustee, may bid at the Trustee's sale; and

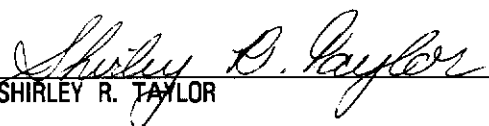
10.6 OTHER REMEDIES. Pursue all other available legal and equitable remedies, including, without limitation, foreclosing upon this Deed of Trust as a mortgage.

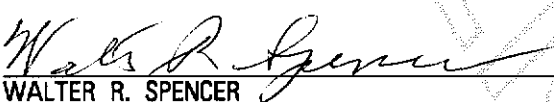
Grantor expressly waives any defense or right, in any action or proceeding in connection with the Secured Obligations, that Beneficiary must first resort to any other security or person.

11. WAIVER. No waiver by Beneficiary of any deviation by Grantor from full performance of this Deed of Trust or the Secured Obligations, as the case may be, shall constitute a waiver of Beneficiary's right to require prompt payment or to assert any other right or remedy provided for in this Deed of Trust or the Secured Obligations on the basis of the same or similar failure to perform.

12. SUCCESSORS AND ASSIGNS. This Deed of Trust inures to the benefit of and is binding upon the respective heirs, devisees, legatees, administrators, executors, successors and assigns of the parties hereto.

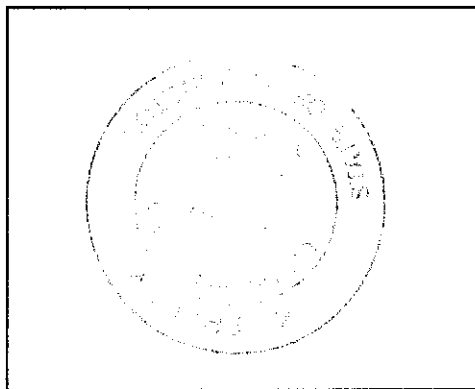
13. APPLICABLE LAW. This deed of Trust has been delivered to beneficiary in the State of Washington. This Deed of Trust shall be governed by and construed in accordance with the laws of the State of Washington.


SHIRLEY R. TAYLOR


WALTER R. SPENCER



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



STATE OF WASHINGTON)
County of Skagit) ss.

_____ is/are the individual(s) who signed this instrument in
my presence and acknowledged it to be (his/her/their) free and voluntary act for the uses and purposes
mentioned in the instrument.

Glancy
(NOTARY PUBLIC FOR THE STATE OF Utah)

My appointment expires 11-02-04

To Trustee:

The undersigned is the holder of the note or notes secured by this Deed of Trust. Said note or notes, together with all other indebtedness secured by this Deed of Trust, have been paid in full. You are hereby directed to cancel said note or notes and this Deed of Trust, which are delivered hereby, and to reconvey, without warranty, all the estate now held by you under this Deed of Trust to the person or persons legally entitled thereto.

Dated: _____

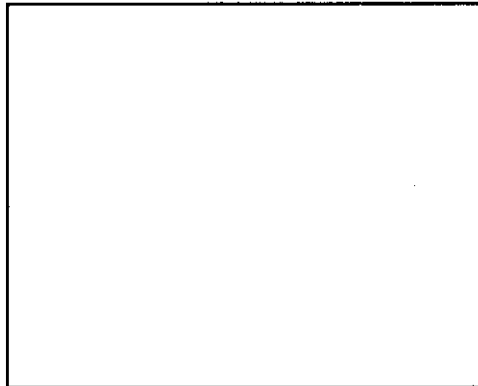
Send Reconveyance To:



200309050108
Skagit County Auditor

ACKNOWLEDGMENT IN A REPRESENTATIVE CAPACITY

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 _____)

I certify that I know or have satisfactory evidence that SHIRLEY R. TAYLOR and WALTER R.

SPENCER

is/are the individual(s) who signed this instrument in my presence, on oath stated
that (he/she/they) was/were authorized to execute the instrument and acknowledged it as the

_____ of _____
(TITLE) (ENTITY)

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

Dated: _____

(NOTARY PUBLIC FOR THE STATE OF

My appointment expires _____

Loan Number
35300007018309265

Bank of America



P. O. BOX 2314
RANCHO CORDOVA, CA 95741

ACAP I.D. # 031781637180

SPACE ABOVE THIS LINE IF FOR RECORDERS'S USE

CONSENT TO ENCUMBRANCE OF LEASE
AND AMENDMENT TO LEASE

Walter R. Spencer and Shirley R. Taylor,

is Lessee ("Lessee") under an Agreement of Lease (the "Lease"), dated AUGUST 16, 1968, with SHELTER BAY COMPANY, A WASHINGTON CORPORATION as Lessor ("Lessor") recorded or a Memorandum of which was recorded on APRIL 8, 1969 in Book N/A, Page N/A, Official Instrument No. 725143 of Official Records of SKAGIT County, state of WASHINGTON, pertaining to the property described in Exhibit "A" hereto (the "Leased Property").

1. Lessor (a) consents to Lessee's encumbrance of Lessee's leasehold interest in the Leased Property (the "Leasehold") by mortgage, deed of trust or security deed (the "Security Instrument") in favor of Bank of America, N.A. ("Encumbrancer") to secure a note in the principal sum of \$ 57,200.00, and other obligations set forth in the Security Instrument which is recorded concurrently herewith in the Official Records of SKAGIT County, state of WASHINGTON, and (b) agrees that the terms hereof shall govern over any provision inconsistent herewith in the Lease.

2. Lessor affirms that as of the date of this Consent, the Lease is in full force and effect and no default or ground for termination thereof exists.

3. An assignment of the Lease of one of the below listed types, made in connection with the Security Instrument, may be made without the consent of Lessor:

(a) Assignment by judicial or non-judicial foreclosure, subject to applicable law, under the Security Instrument, or assignment in lieu of foreclosure; and

(b) Assignment by Encumbrancer, after having obtained an assignment described in (a) above. Any Lease transferee under the provisions of this paragraph 3 shall be liable to perform the obligations of Lessee under the Lease only so long as the transferee holds title to the Leasehold. Any subsequent transfer of the Leasehold may be made only with such written consent of Lessor and subject to the conditions relating thereto as are set forth in the Lease.

4. Lessor may not terminate the Lease because of any default or breach thereunder on the part of Lessee if Encumbrancer, or the trustee under the deed of trust, if applicable, within 90 days after service of written notice on Encumbrancer by Lessor of Lessor's intention so to terminate:

(1) Cures the default or breach if it can be cured by the payment or expenditure of money provided to be paid under the terms of the Lease, or if the default or breach is not so curable, commences, or cause the trustee under the deed of trust to commence, if applicable, and thereafter pursues to completion, steps and proceedings to foreclose on the Leasehold covered by the Security Instrument; and

(2) Keeps and performs all of the covenants and conditions of the Lease requiring the payment or expenditure of money by Lessee until such time as the leasehold is sold upon foreclosure pursuant to the Security Instrument, or is release or reconveyed thereunder, or is transferred upon judicial foreclosure of by an assignment in lieu of foreclosure.

5. Any notice to Encumbrancer provided for in the preceding paragraph may be given concurrently with or after the notice of default to Lessee, as provided in the Lease and sent to the following address: BANK OF AMERICA, N. A., P. O. BOX 2314, RANCHO CORDOVA, CA 95741

6. Notwithstanding any Lease provision to the contrary, policies of fire and extended coverage insurance shall be carried by Lessee covering the building or buildings constructed on the Leasehold premises with loss payable clause to Encumbrancer, and any disposition of the proceeds thereof in case of loss shall be subject to the rights of the Encumbrancer as provided in the Security Instrument.

7. Any and all eminent domain or condemnation awards or damages shall first be applied in payment of the then outstanding balance, if any, of the loan made to Lessee by Encumbrancer and the balance of the awards and damages, if any, shall be paid to Lessor and Lessee, as their interests may appear.

8. The Lease may be amended, or may be terminated by any party other than as provided in paragraph 5 hereof, only with the prior written consent of Encumbrancer.

9. Lessor hereby waives the right to obtain, for any liability of Lessee that arises, accrues, or is the subject of legal action while the Security Instrument is in existence, a lien on any equipment or furnishings of Lessee that may constitute a part of the Leasehold improvements.

10. The terms hereof shall inure to the benefit of and be binding upon the parties, their successors and assigns.

11. Lessor is aware of, and consents to, the terms and purposes of the note secured by the Security Instrument, and any extensions or renewals thereof.

12. To the extent that this document gives additional rights to Encumbrancer, the Lease is hereby amended and modified for the benefit of Encumbrancer only.

13. Except as provided herein, the Lease shall remain in full force and effect as originally written.



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• In this Consent the singular number includes the plural, whenever the context so requires.

LESSOR:

Dated:

9/3/03

SHELTER BAY COMPANY, A WASHINGTON CORPORATION

GRANT T. CSBEN SEC/TREAS.

LESSEE:

Dated:

August 29, 2003

Walter R. Spencer

WALTER R. SPENCER

Shirley R. Taylor

SHIRLEY R. TAYLOR

(Attach Notary Acknowledgements)

APPROVAL OF ENCUMBRANCE

This form and terms of the within and foregoing Encumbrance are approved this 4th day of Sept, 2003.

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS

By

Bernard LeClair

Title

Acting Supt. Puget
Sound Agency



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ACKNOWLEDGMENT

ATTACHED TO and made a part
of Deed of Trust

STATE OF Washington }
County of King } SS:

I certify that I know or have satisfactory evidence that GRANT T. OSBORN
the person who appeared before
me, and said person HE acknowledged that HE signed this instrument, on oath stated that
authorized to execute the instrument and acknowledge it as the SEC / TREAS
of Shelter Bay Company
to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.
Dated: 9-3-03 Marcy Mar Coleman

Notary Public in and for the State of Washington
Residing at Seattle
My appointment expires: 11-13-04

State of Washington }
County of Skagit } SS:

I certify that I know or have satisfactory evidence that Walter R. Spencer + Shirley R.
the person(s) who appeared before me, and said person(s) acknowledged that he/she(they)
signed this instrument and acknowledge it to be his/her/their free and voluntary act for the
uses and purposes mentioned in this instrument.

Dated: 8-29-03

Notary Public in and for the State of Washington
Residing at: Mt. Vernon
My appointment expires: 11-02-06



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Skagit County Auditor

ALTA COMMITMENT

Order No.: 108552-PE

Schedule "A-1"

DESCRIPTION:

A leasehold interest in the following described tract:

Lot 306, "REVISED MAP OF SURVEY OF SHELTER BAY DIV. 2, Tribal and Allotted Lands of Swinomish Indian Reservation," as recorded in Volume 43 of Official Records, page 833, records of Skagit County, Washington.

Situate in the County of Skagit, State of Washington.



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