



200405030213

Skagit County Auditor

5/3/2004 Page

1 of

7 3:39PM

WHEN RECORDED MAIL TO:

Bank of America Consumer Collateral Tracking
FL9-700 04-01
9000 Southside Blvd, Bldg 700
Jacksonville, FL 32256

LAND TITLE OF SKAGIT COUNTY

Account Number: 35300007018469044
CAP Number: 040301242460
Date Printed: 03/11/04
Reconveyance Fee: \$ 0.00

11122-P

DEED OF TRUST

THIS DEED OF TRUST is granted this 12 day of March, 2004,
by JAMIE R. LLOYD AND MICHAEL I. LLOYD, WIFE AND HUSBAND

("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 MOUNT VERNON 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

14107 AVON ALLEN ROAD, MOUNT VERNON, WA 98273

(NUMBER)

(STREET)

(CITY)

(ZIP CODE)

in SKAGIT County, Washington and legally described as:

ABBREVIATED LEGAL DESCRIPTION:
PTN. GOV L2, 13-34-3. E WM.
SEE FULL LEGAL ATTACHED.

Property Tax ID # P21683,21687,21688,2

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 - 040301242460
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 One Hundred Forty Thousand and 00/100'S Dollars. (\$ 140,000.00) with interest thereon as evidenced by a promissory note(s) signed on 5/12/04, 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

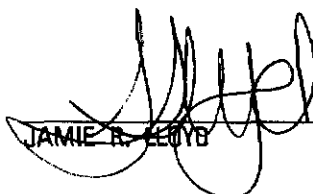
10.6 **OTHER REMEDIES.** Pursue all other available legal and equitable remedies, including, without limitation, foreclosing upon this Deed of Trust as a mortgage.

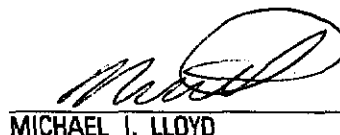
Grantor expressly waives any defense or right, in any action or proceeding in connection with the Secured Obligations, that Beneficiary must first resort to any other security or person.

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.

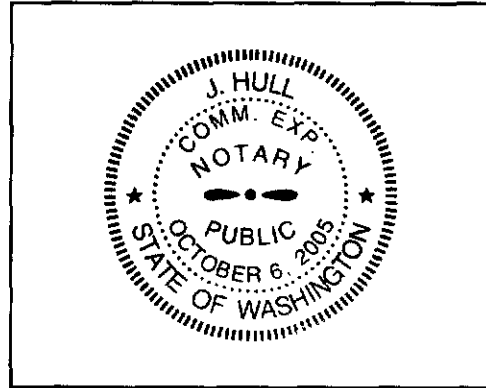

JAMIE R. LLOYD


MICHAEL I. LLOYD



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)
County of _____ : ss.
_____)

I certify that I know or have satisfactory evidence that JAMIE R. LLOYD and MICHAEL I.

LLOYD

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 _____



EXHIBIT "A"

Those portions of Government Lot 2 in Section 13, Township 34 North, Range 3 East, W.M., described as follows:

PARCEL "A":

Beginning at a point 540 feet South of the Northwest corner of said Section 13;
thence East, 412.5 feet;
thence South, 100 feet;
thence West, 412.5 feet;
thence North to the point of beginning,

EXCEPT County Road along the West line thereof.

Situate in the County of Skagit, State of Washington.

PARCEL "B":

Beginning at a point 26 rods South and 25 rods and 8 inches East of the Northwest corner of said Government 2;
thence South 12 rods and 13 inches;
thence East to the West bank of the Skagit River;
thence Northerly along the West bank of the Skagit River to a point East of the point of beginning;
thence West to the point of beginning;

EXCEPT the Easterly portion thereof as condemned by Diking District No. 12, in the Superior Court of the State of Washington for the County of Skagit under Cause No. 3133.

Situate in the County of Skagit, State of Washington.

PARCEL "C":

Beginning at a point 13 rods East of the County road and 26 rods South of the North line of said Government Lot 2;
thence East to a point 25 rods East of the West line of said Government Lot 2;
thence South 111 feet, more or less, to the Northeast corner of that certain tract conveyed to William D. Sage, et ux, by Deed dated September 14, 1948, filed October 6, 1948, as File No. 470306; and recorded in Volume 248 of Deeds, page 593;
thence West along the North line of said Sage Tract to a point that is 13 rods East of the East line of the County road;
thence North, 111 feet, more or less, to the point of beginning,

EXCEPT that portion lying West of the East line of those premises conveyed to Donald Nystrom, et ux, by Deed dated May 22, 1963, filed May 23, 1963, under File No. 636344.

Situate in the County of Skagit, State of Washington.



EXHIBIT "A"

PARCEL "D":

Beginning at a point 292 feet East of the Northwest corner of Government Lot 2 in Section 13, Township 34 North, Range 3 East, W.M.;
thence South, 152.50 feet to the true point of beginning;
thence West parallel with the North line of said Government Lot to the East line of the County Road;
thence South 62 feet, more or less, to the Northwest corner of a tract deeded to Everett O. Fuller, et ux, by Deed dated March 19, 1963, recorded March 21, 1963, under Auditor's File No. 633551, said point being 221.5 feet South of the North line of said subdivision;
thence East along the North line of said Fuller Tract to a point 214.5 feet East of the West line of said Lot 2;
thence South parallel to the West line of said Lot 2, 207.5 feet;
thence East, 20 feet, more or less, to a point 214.5 feet East of the East line of the County road along the West line of said subdivision;
thence South to a point 540 feet South of the North line of said subdivision;
thence East to a point South of the true point of beginning;
thence North to the true point of beginning.

Situate in the county of Skagit, State of Washington.

PARCEL "E":

Beginning at a point 31 rods East and 26 rods South of the Northwest corner of said Government Lot 2;
thence North, 200 feet;
thence West, 228 feet, more or less, to the East line of those premises conveyed to Donald Nystrom, et ux, by Deed dated May 22, 1963, filed May 23, 1963, under File No. 636344;
thence South along the East line of said Nystrom premises, 200 feet to a point West of the point of beginning;
thence East, 228 feet, more or less, to the point of beginning.

Situate in the County of Skagit, State of Washington.

EXCEPT from Parcels "D" and "E" the following described tract:

That portion of Government Lot 2, Section 13, Township 34 North, Range 3 East, W.M., described as follows:

Beginning at a point 292 feet East of the Northwest corner of said Government Lot 2;
thence South, 152.5 feet to the true point of beginning;
thence West parallel with the North line of said Government Lot to the East line of the County road;
thence South, 75 feet along said County road;
thence East parallel with the North line of said Government Lot to a point 75 feet South of the true point of beginning;
thence North to the true point of beginning.

