

RECORDING REQUESTED BY: LSI
WHEN RECORDED RETURN TO:
CUSTOM RECORDING SOLUTIONS
2550 N. REDHILL AVE.
SANTA ANA, CA 92705



201007070071

Skagit County Auditor

7/7/2010 Page 1 of 21 3:56PM

CRS# 7231651

Document Title(s)

DEED OF TRUST

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

SPENCER, DOREEN L

MCNAMARA, ROBERT

Additional grantors on page

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

GATEWAY BUSINESS BANK DBA LENDERS

DIRECT

MERS

Additional grantees on page

Trustee(s) (Last, First and Middle Initial)

LSI TITLE AGENCY INC.

Additional trustees on page

Legal Description (abbreviated form: i.e. lot, block, plat or section, township, range, quarter) FULL

LEGAL DESCRIPTION ON EXHIBIT A

LT 3, EAGLE HILL, V 16, PG 67 & 68, SKAGIT COUNTY, WA

Additional legal is on page

Assessor's Property Tax Parcel/Account Number

P108403

Additional parcel #s on page

The Auditor/Recorder will rely on the information provided on this form. The staff will not read the document to verify the accuracy or completeness of the indexing information provided herein.

I am requesting an emergency nonstandard recording for an additional fee as provided in RCW 36.18.010. I understand that the recording processing requirements may cover up or otherwise obscure some part of the text of the original document.

Signature of Requesting Party

Schedule "A-1"

136635-OE

DESCRIPTION:

A leasehold interest in the following described tract:

Lot 512, "SURVEY OF SHELTER BAY DIV. 3, Tribal and Allotted Lands of Swinomish Indian Reservation," as recorded in Volume 43 of Official Records, pages 839 to 842, inclusive, records of Skagit County, Washington.

Amendment thereto recorded in Volume 66 of Official Records, page 462, under Auditor's File No. 753731.

Situate in the County of Skagit, State of Washington.



201007070071

Skagit County Auditor

7/7/2010 Page

2 of 21 3:56PM

After Recording Return To:

GATEWAY BUSINESS BANK DBA LENDERS DIRECT
1403 NORTH TUSTIN AVENUE, SUITE 280
SANTA ANA, CALIFORNIA 92705

[Space Above This Line For Recording Data]

DEED OF TRUST

FHA CASE NO.

5619362065703

Loan Number: 9310002634
MIN: 100071200010027561

Grantor(s) (Last name first, then first name and initials):

- 1. SPENCER, DOREEN L.
- 2. MCNAMARA, ROBERT

- 3.
- 4.
- 5.
- 6.

Additional names on page of document.

Grantee(s) (Last name first, then first name and initials):

- 1. MORTGAGE ELECTRONIC REGISTRATION SYSTEMS, INC., (MERS)
- 2. LSI TITLE AGENCY INC. - TRUSTEE
- 3. GATEWAY BUSINESS BANK DBA LENDERS DIRECT

- 4.
- 5.
- 6.

Additional names on page of document.

Legal Description (abbreviated: i.e., lot, block, plat or section, township, range):
LOT 3, "PLAT OF EAGLE HILL"

Full legal description on page **EXHIBIT A** of document.

Assessor's Property Tax Parcel(s) or Account Number(s): P108403

Reference Number(s) Assigned or Released:

Additional references on page of document.

Borrower Initials:

LSJ RMC



201007070071
Skagit County Auditor

THIS DEED OF TRUST ("Security Instrument") is made on OCTOBER 13, 2009
The grantor is DOREEN L. SPENCER, A MARRIED WOMAN AS HER SOLE AND
SEPARATE PROPERTY AND ROBERT MCNAMARA, AN UNMARRIED MAN, AS
JOINT TENANTS WITH RIGHT OF SURVIVORSHIP ("Borrower").

The trustee is LSI TITLE AGENCY INC., A CALIFORNIA CORPORATION
2550 N. RED HILL AVENUE, SANTA ANA, CALIFORNIA 92705 ("Trustee").
The beneficiary is Mortgage Electronic Registration Systems, Inc. ("MERS") (solely as nominee for Lender,
as hereinafter defined, and Lender's successors and assigns). MERS is organized and existing under the laws
of Delaware, and has an address and telephone number of P.O. Box 2026, Flint, MI 48501-2026, tel. (888)
679-MERS.

GATEWAY BUSINESS BANK DBA LENDERS DIRECT, A CALIFORNIA
CORPORATION ("Lender")
is organized and existing under the laws of CALIFORNIA
and has an address of 1403 NORTH TUSTIN AVENUE, SUITE 250, SANTA ANA,
CALIFORNIA 92705

Borrower owes Lender the principal sum of ONE HUNDRED FIFTY-EIGHT THOUSAND EIGHT
HUNDRED SIXTY-EIGHT AND 00/100 Dollars (U.S. \$ 158,868.00).

This debt is evidenced by Borrower's note dated the same date as this Security Instrument ("Note"), which
provides for monthly payments, with the full debt, if not paid earlier, due and payable on
NOVEMBER 1, 2039

This Security Instrument secures to Lender: (a) the repayment of
the debt evidenced by the Note, with interest, and all renewals, extensions and modifications of the Note;
(b) the payment of all other sums, with interest, advanced under paragraph 7 to protect the security of this
Security Instrument; and (c) the performance of Borrower's covenants and agreements under this Security
Instrument and the Note. For this purpose, Borrower irrevocably grants and conveys to Trustee, in trust,
with power of sale, the following described property located in SKAGIT
County, Washington:

LEGAL DESCRIPTION ATTACHED HERETO AND MADE A PART HEREOF.
A.P.N.: P108403

which has the address of 7633 LOGSDON LANE

CONCRETE

[City]

[Street]

, Washington

98237 ("Property Address"):

[Zip Code]

Borrower Initials:

DLS RMC



201007070071
Skagit County Auditor

UNIFORM
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 Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property." Borrower understands and agrees that MERS holds only legal title to the interests granted by Borrower in this Security Instrument; but, if necessary to comply with law or custom, MERS (as nominee for Lender and Lender's successors and assigns) has the right: to exercise any or all of those interests, including, but not limited to, the right to foreclose and sell the Property; and to take any action required of Lender including, but not limited to, releasing or canceling this Security Instrument.

BORROWER COVENANTS that Borrower is lawfully seized of the estate hereby conveyed and has the right to grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

1. **Payment of Principal, Interest and Late Charge.** Borrower shall pay when due the principal of, and interest on, the debt evidenced by the Note and late charges due under the Note.

2. **Monthly Payment of Taxes, Insurance, and Other Charges.** Borrower shall include in each monthly payment, together with the principal and interest as set forth in the Note and any late charges, a sum for (a) taxes and special assessments levied or to be levied against the Property, (b) leasehold payments or ground rents on the Property, and (c) premiums for insurance required under paragraph 4. In any year in which the Lender must pay a mortgage insurance premium to the Secretary of Housing and Urban Development ("Secretary"), or in any year in which such premium would have been required if Lender still held the Security Instrument, each monthly payment shall also include either: (i) a sum for the annual mortgage insurance premium to be paid by Lender to the Secretary, or (ii) a monthly charge instead of a mortgage insurance premium if this Security Instrument is held by the Secretary, in a reasonable amount to be determined by the Secretary. Except for the monthly charge by the Secretary, these items are called "Escrow Items" and the sums paid to Lender are called "Escrow Funds."

Lender may, at any time, collect and hold amounts for Escrow Items in an aggregate amount not to exceed the maximum amount that may be required for Borrower's escrow account under the Real Estate Settlement Procedures Act of 1974, 12 U.S.C. § 2601 et seq. and implementing regulations, 24 CFR Part 3500, as they may be amended from time to time ("RESPA"), except that the cushion or reserve permitted by RESPA for unanticipated disbursements or disbursements before the Borrower's payments are available in the account may not be based on amounts due for the mortgage insurance premium.

If the amounts held by Lender for Escrow Items exceed the amounts permitted to be held by RESPA, Lender shall account to Borrower for the excess funds as required by RESPA. If the amounts of funds held by Lender at any time are not sufficient to pay the Escrow Items when due, Lender may notify the Borrower and require Borrower to make up the shortage as permitted by RESPA.

The Escrow Funds are pledged as additional security for all sums secured by this Security Instrument. If Borrower tenders to Lender the full payment of all such sums, Borrower's account shall be credited with the balance remaining for all installment items (a), (b), and (c) and any mortgage insurance premium installment that Lender has not become obligated to pay to the Secretary, and Lender shall promptly refund

Borrower Initials:

DJS AMC



201007070071
Skagit County Auditor

any excess funds to Borrower. Immediately prior to a foreclosure sale of the Property or its acquisition by Lender, Borrower's account shall be credited with any balance remaining for all installments for items (a), (b), and (c).

3. Application of Payments. All payments under paragraphs 1 and 2 shall be applied by Lender as follows:

FIRST, to the mortgage insurance premium to be paid by Lender to the Secretary or to the monthly charge by the Secretary instead of the monthly mortgage insurance premium;

SECOND, to any taxes, special assessments, leasehold payments or ground rents, and fire, flood and other hazard insurance premiums, as required;

THIRD, to interest due under the Note;

FOURTH, to amortization of the principal of the Note; and

FIFTH, to late charges due under the Note.

4. Fire, Flood and Other Hazard Insurance. Borrower shall insure all improvements on the Property, whether now in existence or subsequently erected, against any hazards, casualties, and contingencies, including fire, for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. Borrower shall also insure all improvements on the Property, whether now in existence or subsequently erected, against loss by floods to the extent required by the Secretary. All insurance shall be carried with companies approved by Lender. The insurance policies and any renewals shall be held by Lender and shall include loss payable clauses in favor of, and in a form acceptable to, Lender.

In the event of loss, Borrower shall give Lender immediate notice by mail. Lender may make proof of loss if not made promptly by Borrower. Each insurance company concerned is hereby authorized and directed to make payment for such loss directly to Lender, instead of to Borrower and to Lender jointly. All or any part of the insurance proceeds may be applied by Lender, at its option, either (a) to the reduction of the indebtedness under the Note and this Security Instrument, first to any delinquent amounts applied in the order in paragraph 3, and then to prepayment of principal, or (b) to the restoration or repair of the damaged Property. Any application of the proceeds to the principal shall not extend or postpone the due date of the monthly payments which are referred to in paragraph 2, or change the amount of such payments. Any excess insurance proceeds over an amount required to pay all outstanding indebtedness under the Note and this Security Instrument shall be paid to the entity legally entitled thereto.

In the event of foreclosure of this Security Instrument or other transfer of title to the Property that extinguishes the indebtedness, all right, title and interest of Borrower in and to insurance policies in force shall pass to the purchaser.

5. Occupancy, Preservation, Maintenance and Protection of the Property; Borrower's Loan Application; Leaseholds. Borrower shall occupy, establish, and use the Property as Borrower's principal residence within sixty days after the execution of this Security Instrument (or within sixty days of a later sale or transfer of the Property) and shall continue to occupy the Property as Borrower's principal residence for at least one year after the date of occupancy, unless the Lender determines that requirement will cause undue hardship for Borrower, or unless extenuating circumstances exist which are beyond Borrower's control. Borrower shall notify Lender of any extenuating circumstances. Borrower shall not commit waste or destroy, damage or substantially change the Property or allow the Property to deteriorate, reasonable wear and tear excepted. Lender may inspect the Property if the Property is vacant or abandoned or the loan is in default. Lender may take reasonable action to protect and preserve such vacant or abandoned Property. Borrower shall also be in default if Borrower, during the loan application process, gave materially false or inaccurate

Borrower Initials:

DAS AMC



201007070071

Skagit County Auditor

information or statements to Lender (or failed to provide Lender with any material information) in connection with the loan evidenced by the Note, including, but not limited to, representations concerning Borrower's occupancy of the Property as a principal residence. If this Security Instrument is on a leasehold, Borrower shall comply with the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and fee title shall not be merged unless Lender agrees to the merger in writing.

6. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for conveyance in place of condemnation, are hereby assigned and shall be paid to Lender to the extent of the full amount of the indebtedness that remains unpaid under the Note and this Security Instrument. Lender shall apply such proceeds to the reduction of the indebtedness under the Note and this Security Instrument, first to any delinquent amounts applied in the order provided in paragraph 3, and then to prepayment of principal. Any application of the proceeds to the principal shall not extend or postpone the due date of the monthly payments, which are referred to in paragraph 2, or change the amount of such payments. Any excess proceeds over an amount required to pay all outstanding indebtedness under the Note and this Security Instrument shall be paid to the entity legally entitled thereto.

7. Charges to Borrower and Protection of Lender's Rights in the Property. Borrower shall pay all governmental or municipal charges, fines and impositions that are not included in paragraph 2. Borrower shall pay these obligations on time directly to the entity which is owed the payment. If failure to pay would adversely affect Lender's interest in the Property, upon Lender's request Borrower shall promptly furnish to Lender receipts evidencing these payments.

If Borrower fails to make these payments or the payments required by paragraph 2, or fails to perform any other covenants and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, for condemnation or to enforce laws or regulations), then Lender may do and pay whatever is necessary to protect the value of the Property and Lender's rights in the Property, including payment of taxes, hazard insurance and other items mentioned in paragraph 2.

Any amounts disbursed by Lender under this paragraph shall become an additional debt of Borrower and be secured by this Security Instrument. These amounts shall bear interest from the date of disbursement at the Note rate, and at the option of Lender shall be immediately due and payable.

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender; (b) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which in the Lender's opinion operate to prevent the enforcement of the lien; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which may attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Borrower shall satisfy the lien or take one or more of the actions set forth above within 10 days of the giving of notice.

8. Fees. Lender may collect fees and charges authorized by the Secretary.

9. Grounds for Acceleration of Debt.

(a) Default. Lender may, except as limited by regulations issued by the Secretary in the case of payment defaults, require immediate payment in full of all sums secured by this Security Instrument if:

- (i) Borrower defaults by failing to pay in full any monthly payment required by this Security Instrument prior to or on the due date of the next monthly payment, or

Borrower Initials:

DBS BMC



(ii) Borrower defaults by failing, for a period of thirty days, to perform any other obligations contained in this Security Instrument.

(b) Sale Without Credit Approval. Lender shall, if permitted by applicable law (including section 341(d) of the Garn-St. Germain Depository Institutions Act of 1982, 12 U.S.C. 1701j - 3(d)) and with the prior approval of the Secretary, require immediate payment in full of all sums secured by this Security Instrument if:

(i) All or part of the Property, or a beneficial interest in a trust owning all or part of the Property, is sold or otherwise transferred (other than by devise or descent), and

(ii) The Property is not occupied by the purchaser or grantee as his or her principal residence, or the purchaser or grantee does so occupy the Property, but his or her credit has not been approved in accordance with the requirements of the Secretary.

(c) No Waiver. If circumstances occur that would permit Lender to require immediate payment in full, but Lender does not require such payments, Lender does not waive its rights with respect to subsequent events.

(d) Regulations of HUD Secretary. In many circumstances regulations issued by the Secretary will limit Lender's rights, in the case of payment defaults, to require immediate payment in full and foreclose if not paid. This Security Instrument does not authorize acceleration or foreclosure if not permitted by regulations of the Secretary.

(e) Mortgage Not Insured. Borrower agrees that if this Security Instrument and the Note are not determined to be eligible for insurance under the National Housing Act within 60 DAYS from the date hereof, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. A written statement of any authorized agent of the Secretary dated subsequent to 60 DAYS from the date hereof, declining to insure this Security Instrument and the Note, shall be deemed conclusive proof of such ineligibility. Notwithstanding the foregoing, this option may not be exercised by Lender when the unavailability of insurance is solely due to Lender's failure to remit a mortgage insurance premium to the Secretary.

10. Reinstatement. Borrower has a right to be reinstated if Lender has required immediate payment in full because of Borrower's failure to pay an amount due under the Note or this Security Instrument. This right applies even after foreclosure proceedings are instituted. To reinstate the Security Instrument, Borrower shall tender in a lump sum all amounts required to bring Borrower's account current including, to the extent they are obligations of Borrower under this Security Instrument, foreclosure costs and reasonable and customary attorneys' fees and expenses properly associated with the foreclosure proceeding. Upon reinstatement by Borrower, this Security Instrument and the obligations that it secures shall remain in effect as if Lender had not required immediate payment in full. However, Lender is not required to permit reinstatement if: (i) Lender has accepted reinstatement after the commencement of foreclosure proceedings within two years immediately preceding the commencement of a current foreclosure proceeding, (ii) reinstatement will preclude foreclosure on different grounds in the future, or (iii) reinstatement will adversely affect the priority of the lien created by this Security Instrument.

11. Borrower Not Released; Forbearance by Lender Not a Waiver. Extension of the time of payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to any successor in interest of Borrower shall not operate to release the liability of the original Borrower or Borrower's successors in interest. Lender shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment or otherwise modify amortization of the sums

Borrower Initials:

DZ/RMC



201007070071
Skagit County Auditor

7/7/2010 Page

8 of 21 3:56PM

secured by this Security Instrument by reason of any demand made by the original Borrower or Borrower's successors in interest. Any forbearance by Lender in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

12. Successors and Assigns Bound; Joint and Several Liability; Co-Signers. The covenants and agreements of this Security Instrument shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of paragraph 9(b). Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this Security Instrument but does not execute the Note: (a) is co-signing this Security Instrument only to mortgage, grant and convey that Borrower's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower may agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without that Borrower's consent.

13. Notices. Any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Property Address or any other address Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address stated herein or any address Lender designates by notice to Borrower. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given as provided in this paragraph.

14. Governing Law; Severability. This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. In the event that any provision or clause of this Security Instrument or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision. To this end the provisions of this Security Instrument and the Note are declared to be severable.

15. Borrower's Copy. Borrower shall be given one conformed copy of the Note and of this Security Instrument.

16. Hazardous Substances. Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the Property. Borrower 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 small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property.

Borrower shall promptly give Lender 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 Borrower has actual knowledge. If Borrower learns, or is notified by any governmental or regulatory authority, that any removal or other remediation of any Hazardous Substances affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law.

As used in this paragraph 16, "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 paragraph 16, "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection.

Borrower Initials:

DZS RM^c



NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

17. Assignment of Rents. Borrower unconditionally assigns and transfers to Lender all the rents and revenues of the Property. Borrower authorizes Lender or Lender's agents to collect the rents and revenues and hereby directs each tenant of the Property to pay the rents to Lender or Lender's agents. However, prior to Lender's notice to Borrower of Borrower's breach of any covenant or agreement in the Security Instrument, Borrower shall collect and receive all rents and revenues of the Property as trustee for the benefit of Lender and Borrower. This assignment of rents constitutes an absolute assignment and not an assignment for additional security only.

If Lender gives notice of breach to Borrower: (a) all rents received by Borrower shall be held by Borrower as trustee for benefit of Lender only, to be applied to the sums secured by the Security Instrument; (b) Lender shall be entitled to collect and receive all of the rents of the Property; and (c) each tenant of the Property shall pay all rents due and unpaid to Lender or Lender's agent on Lender's written demand to the tenant.

Borrower has not executed any prior assignment of the rents and has not and will not perform any act that would prevent Lender from exercising its rights under this paragraph 17.

Lender shall not be required to enter upon, take control of or maintain the Property before or after giving notice of breach to Borrower. However, Lender or a judicially appointed receiver may do so at any time there is a breach. Any application of rents shall not cure or waive any default or invalidate any other right or remedy of Lender. This assignment of rents of the Property shall terminate when the debt secured by the Security Instrument is paid in full.

18. Foreclosure Procedure. If Lender requires immediate payment in full under paragraph 9, Lender may invoke the power of sale and/or any other remedies permitted by applicable law. Lender 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 and costs of title evidence.

If Lender invokes the power of sale, Lender shall give written notice to Trustee of the occurrence of an event of default and of Lender's election to cause the Property to be sold. Trustee and Lender shall take such action regarding notice of sale and shall give such notices to Borrower and to 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 Borrower, 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. Lender or its 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; (b) to all sums secured by this Security Instrument; 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.

If the Lender's interest in this Security Instrument is held by the Secretary and the Secretary requires immediate payment in full under paragraph 9, the Secretary may invoke the nonjudicial power of sale provided in the Single Family Mortgage Foreclosure Act of 1994 ("Act") (12 U.S.C. 3751 et seq.) by requesting a foreclosure commissioner designated under the Act to commence foreclosure and to sell

Borrower Initials:

DS Rmc



201007070071

Skagit County Auditor

7/7/2010 Page

10 of 21 3:56PM

the Property as provided in the Act. Nothing in the preceding sentence shall deprive the Secretary of any rights otherwise available to a Lender under this paragraph 18 or applicable law.

19. **Reconveyance.** Upon payment of all sums secured by this Security Instrument, Lender shall request Trustee to reconvey the Property and shall surrender this Security Instrument and all notes evidencing debt secured by this Security Instrument to Trustee. Trustee shall reconvey the Property without warranty to the person or persons legally entitled to it. Such person or persons shall pay any recordation costs and the Trustee's fee for preparing the reconveyance.

20. **Substitute Trustee.** In accordance with applicable law, Lender may from time to time 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 Trustee herein and by applicable law.

21. **Use of Property.** The Property is not used principally for agricultural purposes.

22. **Attorneys' Fees.** Lender shall be entitled to recover its reasonable attorneys' and costs in any action or proceeding to construe or enforce any term of this Security Instrument. The term "attorneys' fees," whenever used in this Security Instrument, shall include without limitation attorneys' fees incurred by Lender in any bankruptcy proceeding or on appeal.

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

[Check applicable box(es)].

- | | | |
|---|---|--|
| <input type="checkbox"/> Condominium Rider | <input type="checkbox"/> Graduated Payment Rider | <input type="checkbox"/> Growing Equity Rider |
| <input type="checkbox"/> Planned Unit Development Rider | <input type="checkbox"/> Adjustable Rate Rider | <input type="checkbox"/> Rehabilitation Loan Rider |
| <input type="checkbox"/> Non-Owner Occupancy Rider | <input checked="" type="checkbox"/> Other [Specify] MANUFACTURED HOME RIDER, AFFIXATION AFFIDAVIT | |

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

Borrower Initials:

DK RMC



ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, EXTEND CREDIT, OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.

BY SIGNING BELOW, Borrower accepts and agrees to the terms contained in pages 1 through 11 of this Security Instrument and in any rider(s) executed by Borrower and recorded with it.

Doreen L. Spencer (Seal)
DOREEN L. SPENCER -Borrower

Robert McNamara (Seal)
ROBERT MCNAMARA -Borrower

____ (Seal)
-Borrower

____ (Seal)
-Borrower

____ (Seal)
-Borrower

____ (Seal)
-Borrower

Witness:

Witness:



201007070071
Skagit County Auditor

INDIVIDUAL ACKNOWLEDGEMENT

State of Washington ss.
County of Skagit

I certify that I know or have satisfactory evidence that Doreen L. Spencer and Robert McNamara are the persons who appeared before me, and said persons acknowledged that they signed this instrument and acknowledged it to be their free and voluntary act for the uses and purposes mentioned in the instrument.

Given under my hand and official seal this 8th day of April 2010.

(Seal or Stamp)



Linda K. Hoffer
Notary Public in and for the State
of Washington, residing at:
Bellingham
LINDA K. HOFFER
My commission expires: 3/01/2014

11



201007070071
Skagit County Auditor

Loan # : SPENCER

Exhibit A

LEGAL DESCRIPTION

The following described property:

Situated in the County of Skagit, State of Washington:

Lot 3, "Plat of Eagle Hill", as per Plat recorded in Volume 16 of Plats, Pages 67 and 68, Records of Skagit County, Washington:

Except that portion of said Lot described as follows:

Beginning at the Northwest corner of said Lot 3; thence North 62 deg. 57' 16" East along the North line of Lot 3, a distance of 45.00 feet; thence North 74 deg. 00' 27" East along the North line of Lot 3, a distance of 373.47 feet; thence South 22 deg. 21' 19" West, a distance of 277.25 feet to a point on the Southerly line of said Lot 3; thence South 72 deg. 04' 34" West along the Southerly line of Lot 3, a distance of 333.08 feet; thence South 62 deg. 57' 16" West along the Southerly line of Lot 3, a distance of 60.00 feet to the Southwest corner of Lot 3; thence North 27 deg. 02' 44" West along the Westerly line of Lot 3, a distance of 295.12 feet to the point of beginning;

Together with an easement for ingress, egress and utilities over, under and across the following described parcel.

Assessor's Parcel No: P108403



201007070071
Skagit County Auditor

GATEWAY BUSINESS BANK DBA LENDERS DIRECT
1403 NORTH TUSTIN AVENUE, SUITE 280, SANTA
ANA, CALIFORNIA 92705

Loan Number: 9310002634
(To be recorded with Security Instrument)

AFFIXATION AFFIDAVIT REGARDING MANUFACTURED (AND FACTORY BUILT) HOME

The State of WASHINGTON)

County of SKAGIT)

Before me, the undersigned authority, on this day personally appeared DOREEN L. SPENCER,
ROBERT MCNAMARA

(Borrower(s)) and GATEWAY BUSINESS BANK DBA LENDERS DIRECT

known to me to be the person(s) whose name(s) is/are subscribed below, and who, being by me first duly
sworn, did each on his/or her oath state as follows:

DESCRIPTION OF MANUFACTURED HOME

USED	1999	RADCO	
New/Used	Year	Manufacturer's Name	
MODULINE 28820		1-18805	66.4 X 27.2
Model Name or Model No.		Manufacturer's Serial No.	Length x Width
WAS086318, WAS0863619		Certificate of Title Number:	
HUD Label Number(s):			

MANUFACTURED HOME LOCATION

7633 LOGSDON LANE	SKAGIT	
Street	County	
CONCRETE	WASHINGTON	98237
City	State	Zip Code

AFFIXATION AFFIDAVIT REGARDING MANUFACTURED
(AND FACTORY BUILT) HOME
AARMFBH.MSC 11/21/07

Page 1 of 4

DocMagic  800-649-1362
www.docmagic.com



201007070071

Skagit County Auditor

7/7/2010 Page 15 of 21 3:56PM

In addition to the covenants and agreements made in the Security Instrument, Borrower covenants and agrees as follows:

1. The manufactured home described above located at the address above is permanently affixed to a foundation and will assume the characteristic of site-built housing.
2. The wheels, axles, tow bar, or hitch were removed when said manufactured home was placed on the permanent site.
3. All foundations, both perimeter and piers for said manufactured home have footings that are located below the frost line or in compliance with local building codes or requirements.
4. If piers are used for said manufactured home, they will be placed where said home manufacturer recommends.
5. If state law so requires, anchors for said manufactured home have been provided.
6. The manufactured home is permanently connected to a septic or sewage system and other utilities such as electricity, water and natural gas.
7. No other lien or financing affects said manufactured home or real estate, other than those disclosed in writing to Lender.
8. The foundation system of the manufactured home has been designed by an engineer, if required by state or local building codes, to meet the soil conditions of the site.
9. Borrower(s) acknowledges his or her intent that said manufactured home will become immovable property and part of the real property securing the security instrument.
10. The Manufactured home will be assessed and taxed as an improvement the real property. I/We understand that if Lender does not escrow for these taxes, that I/we will be responsible for payment of such taxes.
11. If the land is being purchased, such purchase and said manufactured home represent a single real estate transaction under applicable state law.
12. Said manufactured home has been built under the Federal Manufactured Home Construction and Safety Standards that were established June 15, 1976.
13. This Affidavit is executed by Borrower(s) pursuant to applicable state law.
14. All permits required by governmental authorities have been obtained. Borrower(s) certifies that Borrower(s) is in receipt of manufacturer's recommended maintenance program regarding the carpets and manufactures warranties covering the heating/cooling system, hot water heater, range, etc. and the formaldehyde health notice.

Doreen L. Spencer 4/8/10
 Borrower DOREEN L. SPENCER Date

Robert McNamara 4/8/10
 Borrower ROBERT MCNAMARA Date

 Borrower Date

 Borrower Date

 Borrower Date

 Borrower Date



201007070071
 Skagit County Auditor

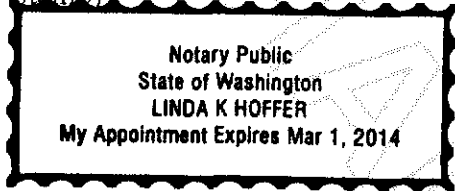
INDIVIDUAL ACKNOWLEDGEMENT

State of Washington ss.
County of Skagit

I certify that I know or have satisfactory evidence that Doreen L. Spencer and Robert McNamara are the persons who appeared before me, and said persons acknowledged that they signed this instrument and acknowledged it to be their free and voluntary act for the uses and purposes mentioned in the instrument.

Given under my hand and official seal this 8th day of April 2010.

(Seal or Stamp)



Linda K. Hoffer

Notary Public in and for the State
of Washington, residing at:
Bellingham

LINDA K. HOFFER

My commission expires: 3/01/2014

3



201007070071

Skagit County Auditor

LENDER'S STATEMENT OF INTENT

The undersigned ("Lender") intends that the Home be an immovable fixture and a permanent improvement to the Land.

GATEWAY BUSINESS BANK DBA LENDERS DIRECT

Lender

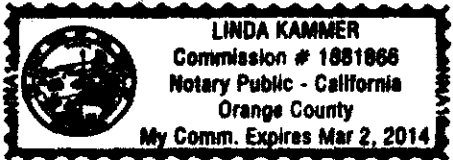
By: Marcy O Villajuan
Authorized Signature
MARCO O. VILLAJUAN

STATE OF California
~~WASHINGTON~~
COUNTY OF Orange
~~SKAGIT~~) ss.:

On the 9TH day of APRIL in the year 2010 before me, the undersigned, a Notary Public in and for said State, personally appeared _____

MARCO O. VILLAJUAN
personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person on behalf of which the individual(s) acted, executed the instrument.

[Signature]
Notary Signature



(Official Seal)

LINDA KAMMER
Notary Printed Name
Notary Public; State of California
Qualified in the County of Orange
My Commission Expires: 3/2/14

Drafted By: _____



201007070071
Skagit County Auditor

MIN: 100071200010027561

Loan Number: 9310002634

MANUFACTURED HOME RIDER TO MORTGAGE, DEED OF TRUST OR OTHER SECURITY INSTRUMENT

THIS MANUFACTURED HOME RIDER is made this 13th day of OCTOBER, 2009, and is incorporated into and shall be deemed to amend and supplement that certain Mortgage, Deed of Trust or Other Security Instrument (the "Security Instrument") of the same date hereof given by the undersigned (the "Borrower(s)") to secure Borrower's Promissory Note (or Manufactured Home Retail Installment Contract) to GATEWAY BUSINESS BANK DBA LENDERS DIRECT, A CALIFORNIA CORPORATION (the "Note Holder") of the same date hereof (the "Note"), and relating to the property described in the Security Instrument and located at:

7633 LOGSDON LANE, CONCRETE, WASHINGTON 98237

The following provisions are applicable to the Security Instrument, including those marked and completed (where applicable):

1. **DESCRIPTION OF REAL PROPERTY.** The description of the real property set forth in the Security Instrument is amended by the addition of the following:

"Together with all improvements constructed upon, affixed to or located upon the above described real property, including without limitation any residential dwelling located upon or to be located thereon, which dwelling is or may be a manufactured home, as hereinbelow described, which manufactured home is or upon placement and affixation shall be conclusively deemed to be real estate (the "Manufactured Home"):

Make: _____ Model: _____ Serial Number: _____

Year Built: _____ Length and Width: _____

No Certificate of Title has been issued Certificate of Title No. _____

2. **MANUFACTURED HOME AS PERSONAL PROPERTY SECURITY.** The Note is also secured by a security interest in favor of Note Holder in the following described manufactured home ("Manufactured Home"), which is located on the real property described in the Security Instrument:

Make: RADCO Model: MODULINE 28820 Serial Number: 1-18805

Year Built: 1999 Length and Width: 66.4 X 27.2

No Certificate of Title has been issued Certificate of Title No. _____

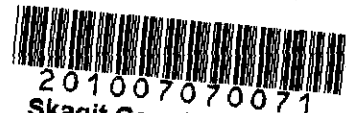
Borrower Initials: _____

DZ BMC

MANUFACTURED HOME RIDER TO MORTGAGE, DEED OF TRUST
OR OTHER SECURITY INSTRUMENT
MH.RDR 08/11/09

Page 1 of 3

DocMagic eForms 800-649-1362
www.docmagic.com



201007070071
Skagit County Auditor

7/7/2010 Page

19 of 21 3:56PM

3. ADDITIONAL COVENANTS OF BORROWER(S) RELATING TO MANUFACTURED HOME.

If Paragraph 1 has been marked and completed, Borrower(s) agree(s) to comply with all State and local laws and regulations relating to the affixation of the Manufactured Home to the real property described herein including, but not limited to, surrendering the Certificate of Title (if required), obtaining any governmental approval and executing any documentation necessary to classify the Manufactured Home as real property under State and local law.

The Manufactured Home shall be at all times and for all purposes permanently affixed to and part of the real property described herein and shall not be removed from said real property. Borrower(s) covenant(s) that affixing the Manufactured Home to the real property described herein does not violate any zoning laws or other local requirements applicable to manufactured homes.

If Paragraph 2 has been marked and completed, Borrower(s) agree(s) and covenant(s) that the Manufactured Home is and shall remain personal property, severable and separate from the real property described in the Security Instrument, and agree(s) and covenant(s) not to take any action, or fail to take any action, which would result in a change in such status.

4. SECURITY AGREEMENT AND FINANCING STATEMENT. This Security Instrument shall be a security agreement granting Lender a first and prior security interest in all of Borrower's right, title and interest in, to and under any personal property ("Personal Property") which under and within the meaning of the applicable State laws is and cannot be classified and considered real property, if any. Personal Property shall also include the Manufactured Home described in Paragraph 2 hereof, if applicable. In the event of any foreclosure sale, whether made by Trustee or a substitute trustee, or under judgment of the court or pursuant to a power of sale, all of the Property and Personal Property may, at the option of Lender, be sold as a whole or any part thereof. It shall not be necessary to have present at the place of such sale the Personal Property or any part thereof. Lender, as well as Trustee or any substitute trustee on Lender's behalf, shall have all the rights, remedies and recourses with respect to the Personal Property afforded to a "Secured Party" by the applicable state laws in addition to and not in limitation of the other rights and recourse afforded Lender and/or Trustee or any substitute trustee under this Security Instrument. Borrower(s) shall, upon demand, pay to Lender the amount of any and all expenses, including the fees and disbursements of Lender's legal counsel and of any experts and agents which Lender may incur in connection with: (i) the making and/or administration of this Security Instrument; (ii) the custody, preservation, use or operation of, or the sale or collection from, or other realization upon any property, real and/or personal, described in this Security Instrument; (iii) the exercise or enforcement of any of the rights of Lender under this Security Instrument; or (iv) the failure by Borrower(s) to perform or observe any of the provisions or covenants in this Security Instrument.

Lender may, at its election, at any time after the delivery of this Security Instrument, sign one or more copies of this Security Instrument in order that such copies may be used as a financing statement under the applicable State laws. Lender's signature need not be acknowledged, and is not necessary to the effectiveness hereof as a deed of trust, a security agreement, or (unless otherwise required by applicable law) a financing statement.

5. RESPONSIBILITY FOR IMPROVEMENTS. Lender shall not be responsible for any improvements made or to be made, or for their completion relating to the real property, and shall not in any way be considered a guarantor of performance by any person or party providing or effecting such improvements.

Borrower Initials:

[Handwritten initials: JZ BMC]

MANUFACTURED HOME RIDER TO MORTGAGE, DEED OF TRUST
OR OTHER SECURITY INSTRUMENT
MH.RDR 06/11/09

DocMagic eFiling 800-649-1362
www.docmagic.com

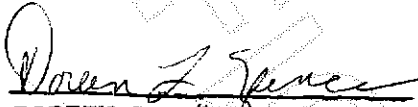
Page 2 of 3



201007070071
Skagit County Auditor

6. **INVALID PROVISIONS.** If any provision of this Security Instrument is declared invalid, illegal or unenforceable by a court of competent jurisdiction, then such invalid, illegal or unenforceable provisions shall be severed from this Security Instrument and the remainder enforced as if such invalid, illegal or unenforceable provision is not a part of this Security Instrument.

Executed this 5 day of April 2010

 (Seal)
DOREEN L. SPENCER -Borrower

 (Seal)
ROBERT MCNAMARA -Borrower

____ (Seal)
-Borrower

____ (Seal)
-Borrower

____ (Seal)
-Borrower

____ (Seal)
-Borrower



201007070071
Skagit County Auditor