

POOR ORIGINAL

AFTER RECORDING MAIL TO:

Upper Skagit Indian Tribe
Office of Tribal Attorney
25944 Community Plaza Way
Sedro-Woolley, WA 98284



202002140116

02/14/2020 02:55 PM Pages: 1 of 11 Fees: \$114.50
Skagit County Auditor

Land Title and Escrow

01-175236-0

Abbreviated legal:

S3302020229 LP129439)

Lot 757, Shelter Bay Div. #4.

(SPACE ABOVE THIS LINE FOR RECORDING DATA)

**SUBORDINATED SECOND
DEED OF TRUST**

THIS DEED OF TRUST ("Deed of Trust") is made on February 13, 2020. The Grantor is Jay R. Bowen, an unmarried person whose address is 757 Tillamuk Drive, LaConner, WA 98257. The beneficiary is the Upper Skagit Indian Tribe a federally recognized Indian Tribe whose address is 25944 Community Plaza Way, Sedro-Woolley, WA 98284 Grantor owes Beneficiary the principal sum of Thirty Thousand Dollars and no cents (\$30,000.00), evidenced by a Promissory Note of even date herewith. The Trustee is the Upper Skagit Indian Tribe Office of Tribal Attorney.

This deed of trust is second and subordinate to, that certain deed of trust to (Peoples Bank), which is concurrently recorded herewith.

The Promissory Note provides for no payments if the Grantor complies with the terms of the Promissory Note and this Deed of Trust. The Promissory Note provides that the full debt, if not forgiven, shall be due and payable if, within four years of the date hereof, Grantor ceases to occupy as his principal residence the below-described real property, sale or assignment of the below-described real property, Grantor made a false representation in the application for assistance, or upon a breach of the covenants and terms hereof.

This Deed of Trust secures to Beneficiary: (a) the repayment of the debt evidenced by the Promissory Note of even date herewith, and all renewals, extensions and modifications of the Note; (b) the payment of all other sums, with interest as provided in the Promissory

Note advanced under Paragraph 6 to protect the security of this Deed of Trust; and (c) the performance of Grantor's covenants and agreements under this Deed of Trust and Promissory Note secured hereby. For this purpose, Grantor irrevocably grants and conveys to Trustee, in trust, with power of sale, the property located at 757 Tillamuk Drive, LaConner, WA 98257.

Legally Described in attachment "A"

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenance, 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."

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

GRANTOR and BENEFICIARY covenant and agree as follows:

1. Payment of Principal. Grantor shall promptly pay when due the principal of the debt evidenced by the note.

2. Prior Deeds of Trust; Charges; Liens. The Grantor shall perform all of the Grantor's obligations under the First Deed of Trust, including Grantor's covenants to make payments when due. Grantor shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attain priority over this Deed of Trust, and leasehold payments of ground rents, if any. Grantor shall pay obligations on time directly to the person owed payment. Grantor shall promptly furnish to Beneficiary all notices of amounts to be paid under this paragraph. If Grantor makes these payments directly, Grantor shall promptly furnish to Beneficiary receipts evidencing the payments.

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

3. Hazard or Property Insurance. Grantor shall keep the improvements now existing or hereafter erected on the property insured against loss by fire, hazards included

within the term "extended coverage" and any other hazards, including floods or flooding, for which Beneficiary requires insurance. This insurance shall be maintained in the amounts and for the periods that Beneficiary requires. The insurance carrier providing the insurance shall be chosen by Grantor subject to Beneficiary's approval, which shall not be unreasonably withheld. If Grantor fail to maintain coverage described above, Beneficiary may, at Beneficiary's option, obtain coverage to protect Beneficiary's rights in the Property in accordance with Paragraph 6.

All insurance policies and renewals shall be acceptable to Beneficiary and shall include a standard mortgagee clause. All requirements hereof pertaining to insurance shall be deemed satisfied if the Grantor comply with the insurance requirements under the First Deed of Trust. All original policies of insurance required pursuant to the First Deed of Trust shall be held by the Senior Lien Holder; provided, however, Beneficiary may be named as a loss payee as its interest may appear and may be named as an additional insured. If Beneficiary requires, Grantor shall promptly give to Beneficiary copies of all receipts of paid premiums and renewal notices. In the event of loss, Grantor shall give prompt notice to the insurance carrier, the Senior Lien Holder and Beneficiary. Beneficiary may make proof of loss if not made promptly by the Senior Lien Holder or the Grantor.

Unless Beneficiary and Grantor otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged. If the restoration or repair is not economically feasible or Beneficiary's security would be lessened, the insurance proceeds shall be applied to the sums security by this Deed of Trust, whether or not then due, with any excess paid to Grantor. If Grantor abandons the Property or does not answer within 30 days a notice from Beneficiary that the insurance carrier has offered to settle a claim, then Beneficiary may collect the insurance proceeds. Beneficiary may 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 the notice is given.

Notwithstanding the above, the Beneficiary's rights to collect and apply the insurance proceeds hereunder shall be subject and subordinate to the rights of the Senior Lien Holder to collect and apply such proceeds in accordance with the First Deed of Trust.

4. Occupancy, Preservation, Maintenance and Protection of the Property; Grantor's Loan Application; Leaseholds. Grantor shall occupy, establish and use the Property as Grantor's principal residence within sixty days after the execution of this Deed of Trust. Grantor shall not destroy, damage or impair the Property, allow the Property to deteriorate, or commit waste on the Property. Grantor shall be in default if any forfeiture action or proceeding, whether civil or criminal, is begun that in Beneficiary's good faith judgment could result in forfeiture of the Property or otherwise materially impair the lien created by this Deed of Trust or Beneficiary's security interest. Grantor may cure such a default and reinstate, as provided in Paragraph 15, by causing the action or proceeding to be dismissed with a ruling that, in Beneficiary's good faith determination, precludes forfeiture of the Grantor's interest in the Property or other

material impairment of the lien created by this Deed of Trust or Beneficiary's security interest. Grantor shall also be in default if Grantor, during the loan application process, gave materially false or inaccurate information or statements to Beneficiary (or failed to provide Beneficiary with any material information) in connection with the loan evidenced by the Note, including, but not limited to, representations concerning (i) Grantor's occupancy of the Property as a principal residence and (ii) Grantor's income. If this Deed of Trust is on a leasehold, Grantor shall comply with all the provisions of the lease. If Grantor acquires fee title to the Property, the leasehold and the fee title shall not merge unless Beneficiary agrees to the merger in writing.

The Grantor acknowledges that this Property is subject to certain use and occupancy restrictions (which may be further evidenced by a separate agreement recorded in the land records where the Property is located), limiting the Property's use.

6. Protection of Beneficiary's Rights in the Property. If Grantor fails to perform the covenants and agreements contained in this Deed of Trust, or if there is a legal proceeding that may significantly affect Beneficiary's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture or to enforce laws or regulations), then Beneficiary may do and pay for whatever is necessary to protect the value of the Property and Beneficiary's rights in the Property. Beneficiary's actions may include paying any sums secured by a lien which has priority over this Deed of Trust (including sums secured by the First Deed of Trust), appearing in court, paying reasonable attorneys fees and entering on the Property to make repairs. Although Beneficiary may take action under this Paragraph 6, Beneficiary does not have to do so.

Any amounts disbursed by Beneficiary under this Paragraph 6 shall become additional debt of Grantor secured by this Deed of Trust. Unless Grantor and Beneficiary agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the rate of 12% per annum and shall be payable, with interest, upon notice from Beneficiary to Grantor requesting payment.

Prior to taking any actions under this Paragraph 6, however, Beneficiary shall notify the Senior Lien Holder of such default in the manner provided in Paragraph 20 of this Deed of Trust. All amounts advanced by the Senior Lien Holder to cure a default hereunder shall be deemed advanced by the Senior Lien Holder at least 60 days' prior written notice. Any action by Beneficiary hereunder to foreclose or accept a deed in lieu of foreclosure shall be subject to the "due on sale" provisions of the First Deed of Trust.

Beneficiary and Grantor further agree that a default hereunder shall constitute a default under the First Deed of Trust. In the event of a default hereunder, the Senior Lien Holder shall have the right to exercise all rights and remedies under the First Deed of Trust.

7. Mortgage Insurance. If Beneficiary required mortgage insurance as a condition of making the loan secured by this Deed of Trust, Grantor shall pay the premiums required to maintain the mortgage insurance in effect. If for any reason, the

mortgage insurance coverage required by the Beneficiary lapses or ceases to be in effect, Grantor shall pay the premiums required to obtain coverage substantially equivalent to the mortgage insurance previously in effect, at a cost substantially equivalent to the cost to Grantor of the mortgage insurance previously in effect, from an alternate mortgage insurer approved by Beneficiary. If substantially equivalent mortgage insurance coverage is not available, Grantor shall pay to Beneficiary each month a sum equal to one-twelfth of the yearly mortgage insurance premium being paid by Grantor when the insurance coverage lapsed or ceased to be in effect. Beneficiary will accept, use and retain these payments as a loss reserve in lieu of mortgage insurance. Loss reserve payments may no longer be required, at the option of the Beneficiary, if mortgage insurance coverage (in the amount and for the period that Beneficiary requires) provided by an insurer approved by Beneficiary again becomes available and is obtained. Grantor shall pay the premiums required to maintain mortgage insurance in effect, or to provide a loss reserve, until the requirement for mortgage insurance ends in accordance with any written agreement between Grantor and Beneficiary or applicable law.

8. **Inspection.** Beneficiary or its agent may make reasonable entries upon and inspections of the Property. Beneficiary shall give Grantor notice at the time of or prior to an inspection specifying reasonable cause for the inspection.

9. **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 lieu of condemnation, are hereby assigned and shall be paid to Beneficiary, subject to the terms of the First Deed of Trust.

In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Deed of Trust, whether or not then due, with any excess paid to Grantor. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is equal to or greater than the amount of the sums secured by this Security Interest immediately before the taking, unless Grantor and Beneficiary otherwise agree in writing, the sums secured by this Deed of Trust shall be reduced by the amount of the proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the taking, divided by (b) the fair market value of the Property immediately before the taking. Any balance shall be paid to Grantor. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is less than the amount of the sums secured immediately before the taking, unless Grantor and Beneficiary otherwise agree in writing or unless applicable law otherwise provided, the proceeds shall be applied to the sums secured by this Deed of Trust whether or not the sums are then due.

If the Property is abandoned by Grantor, or it, after notice by Beneficiary to Grantor that the condemnor offers to make an award or settle a claim for damages, Grantor fails to respond to Beneficiary within 30 days after the date notice is given, Beneficiary is authorized to collect and apply the proceeds, at its option, either to restoration or repair of the Property or to the sums secured by this Deed of Trust, whether or not then due.

10. Grantor Not Released; Forbearance By Beneficiary Not a Waiver, Extension of the time for payment or modification of amortization of the sums secured by this Deed of Trust granted by Beneficiary to any successor in interest of Grantor shall not operate to release the liability of the original Grantor or Grantor's successors in interest. Beneficiary 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 secured by this Deed of Trust by reason of any demand made by the original Grantor or Grantor's successors in interest. Any forbearance by Beneficiary in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

11. Successors and Assigns Bound Joint and Several Liability; Co-signers. The covenants and agreements of this Deed of Trust shall bind and benefit the successors and assigns of Beneficiary and Grantor, subject to the provisions of Paragraph 15. Grantor's covenants and agreements shall be joint and several. Any Grantor who co-signs this Deed of Trust but does not execute the Note: (a) is co-signing this Deed of Trust only to mortgage, grant and convey these Grantor's interests in the Property under the terms of this Deed of Trust; (b) is not personally obligated to pay the sums secured by this Deed of Trust; and (c) agrees that Beneficiary and any other Grantor may agree to extent, modify, forbear or make any accommodations with regard to the terms of this Deed of Trust or the Note without that Grantor's consent; provided, however, that such modification or accommodation shall not be made without the prior written consent of the Senior Lien Holder.

12. Notices. Any notice to Grantor provided for in this Deed of Trust 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 Grantor designates by notice to Beneficiary. Any notice to Beneficiary shall be given by first class mail to Beneficiary's Address stated herein or any other address Beneficiary designated by notice to Grantor. Any notice provided for in this Deed of Trust shall be deemed to have been given to Grantor or Beneficiary when given as provided in this paragraph.

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

14. Grantor's Copy. Grantor shall be given one conformed copy of the Note and of this Deed of Trust.

15. Transfer of the Property or a Beneficial interest in Grantor. Except for a conveyance to the Beneficiary under the First Deed of Trust, if all or any part of the

Property or any interest in it is sold or transferred (or if a beneficial interest in Grantor is sold or transferred and Grantor is not a natural person) without Beneficiary's prior written consent, Beneficiary will require immediate payment in full of all sums secured by this Deed of Trust. However, this option shall not be exercised by Beneficiary if exercise is prohibited by federal law as of the date of this Deed of Trust.

If Beneficiary exercises this option, Beneficiary shall give Grantor and the Senior Lien Holder prior written 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 Grantor must pay all sums secured by this Deed of Trust. If Grantor fails to pay these sums prior to the expiration of this period, Beneficiary may invoke any remedies permitted by this Deed of Trust without further notice or demand on Grantor.

Notwithstanding Beneficiary's right to invoke any remedies hereunder, as provided in Paragraph 6 above, Beneficiary agrees that it will not commence foreclosure proceeding or accept a deed in lieu of foreclosure, or exercise any other rights or remedies hereunder until it has given the Senior Lien Holder at least 60 days prior written notice.

The Grantor and the Beneficiary agree that whenever the Note or this Deed of Trust gives the Beneficiary the right to approve or consent with respect to any matter affecting the Property (or the construction of any improvements thereon) or otherwise (including the exercise of any "due on sale" clause), and a right of approval or consent with regard to the same matter is also granted to the Senior Lien Holder pursuant to the First Deed of Trust, the Senior Lien Holder's approval or consent or failure to approve or consent, as the case may be, shall be binding on the Grantor and the Beneficiary.

16. **Grantor's Right to Reinstate.** If Grantor meet certain conditions, Grantor shall have the right to have enforcement of this Deed of Trusts discontinued at any time prior to the earlier of: (a) 5 days (or such other period as applicable law may specify for reinstatement) before sale of the Property pursuant to any power of sale contained in this Deed of Trust; or (b) entry of a judgment enforcing this Deed of Trust. Those conditions are that Grantor: (a) pay Beneficiary all sums which then would be due under this Deed of Trust and the Note as if no acceleration had occurred; (b) cure any default or any other covenants or agreements; (c) pay all expenses incurred in enforcing this Deed of Trust, including, but not limited to, reasonable attorney's fees; and (d) take such action as Beneficiary may reasonably require to assure that the lien of this Deed of Trust, Beneficiary's rights in the Property and Grantor's obligation to pay the sums secured by this Deed of Trust shall continued unchanged. Upon reinstatement by Grantor, this Deed of Trust and the obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under Paragraph 15.

17. **Sale of Note; Change of Loan Servicer.** The Note or a partial interest in the Note (together with this Deed of Trust) may be sold one or more times without prior written notice to Grantor. A sale may result in a change in the entity (known as the

"Loan Servicer") that collects monthly payments due under the note and this Deed of Trust. There also may be one or more changes of the Loan Servicer. Grantor will be given written notice of the change in accordance with Paragraph 12 above and applicable law.

18. No Assignment. Until the Loan secured by the First Deed of Trust has been satisfied in full, the Beneficiary and the Grantor agrees that the Note and the Deed of Trust will not be assigned without the Senior Lien Holder's prior written consent.

19. Hazardous Substances. Grantor shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the Property. Grantor 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.

Grantor shall promptly give Beneficiary 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 Grantor have actual knowledge. If Grantor learns, or is notified by any governmental or regulatory authority, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Grantor shall promptly take all necessary remedial actions in accordance with Environmental Law. Prior to taking any such remedial action, however, the Grantor shall notify the Senior Lien Holder that such remedial action is necessary and shall obtain the Senior Lien Holder's prior written consent for such remedial action.

As used in this Paragraph 19, "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 19, Environmental Law means federal laws and laws of the jurisdiction where the property is located that relate to health, safety or environmental protection.

20. Acceleration: Remedies. Beneficiary shall give notice to Grantor and the Senior Lien Holder prior to acceleration following Grantor's breach of any covenant or agreement in this Deed of Trust. The notice shall specify: (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 the Senior Lien Holder, 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 Grantor of the right to reinstate after acceleration and the right to bring a court action to assert the non-existence of a default or any other defense of Grantor to acceleration and sale. If the default is not cured by the Grantor on or before the date

specified in the notice, and the Senior Lien Holder has not exercised its right to cure the default, then Beneficiary at its 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. Notwithstanding Beneficiary's right to invoke any remedies hereunder, as provided in Paragraph 6 above, the Beneficiary agrees that it will not commence foreclosure proceedings or accept a deed in lieu of foreclosure, or exercise any other rights or remedies hereunder until it has given the Senior Lien Holder at least 60 days prior written notice. Beneficiary shall be entitled to collect all expenses incurred in pursuing the remedies provided in Paragraph 20, including, but not limited to reasonable attorneys fees and costs of title evidence.

If Beneficiary invokes the power of sale, Beneficiary or Trustee shall mail copies of a notice of sale in the manner prescribed by applicable law. Trustee shall give notice of sale by public advertisement for the time and in the manner prescribed by applicable law. Trustee, without demand on Grantor, shall sell the Property at public auction to the highest bidder for cash 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 all or any parcel of the Property to any later time and place 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 all or any parcel of the Property to any later time on the same date by public announcement at the time and place of any previously scheduled sale. Beneficiary 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 not 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 Deed of Trust; and (c) any excess to the person or persons legally entitled to it.

21. **Reconveyance.** Upon payment of all sums 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 warrant to the person or persons legally entitled to it. Such person or persons shall pay any recordation costs.

22. **Substitute Trustee.** Beneficiary, at its option, may from time to time remove Trustee and appoint a successor trustee to any Trustee appointed hereunder by an Instrument recorded in the 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 Trustee herein and by applicable law.

23. **Modification of First Deed of Trust Loan Documents.** The Beneficiary consents to any agreement or arrangement in which the Senior Lien Holder waives,

postpones, extends, reduces or modifies any provisions of the First Deed of Trust Loan Documents, including any provisions requiring the payment of money.

IN WITNESS WHEREOF, Grantor and the Beneficiary have hereunto set their hands as of the day and year hereinabove first written.

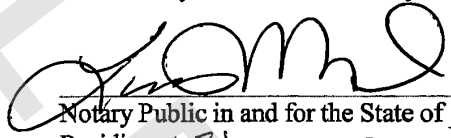
Witnesseth:

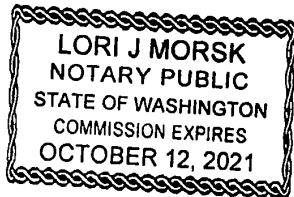

Jay R. Bowen, Grantor

STATE OF Washington ,
County of Snohomish : ss

On this 13 day of February, 2020, before me, the undersigned, a Notary Public in and for the State of Washington, personally appeared Jay R. Bowen, known or identified to me to be the person whose name is subscribed to the within and foregoing instrument and acknowledged to me that she executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.


Notary Public in and for the State of WA
Residing at: Stanwood therein.
My commission expires: 10/12/2021



ATTACHMENT "A"

A leasehold interest in the following described tract:

Lot 757, 'SURVEY OF SHELTER BAY DIV. 4, Tribal and Allotted Lands of Swinomish Indian Reservation,' according to the Survey recorded July 8, 1970, in volume 48 of Official Records, pages 627 through 631, under Auditor's file No. 740962, records of Skagit County, Washington.

Situate in the County of Skagit, State of Washington.

END OF ATTACHMENT "A"