

This Space Provided for Recorder's Use

When Recorded Return To: **O Bee Credit Union**
P.O. Box 5000
Lacey, WA 98509

Document Title(s) **Deed of Trust**
Grantor(s) **PAUL MATTHEW CALDWELL, JOY GRACE CALDWELL, husband and wife**

Grantee(s) **O Bee Credit Union**
Legal Description **Lot 13, PLAT OF RIDGEWOOD, DIVISION NO. 1, according to the plat thereof,
recorded in Volume 9 of Plats, pages 68
and 69, records of Skagit County, Washington.
Situating in Skagit County, Washington.**

Assessor's Property Tax Parcel or Account Number **P68496**
Reference Number of Documents Assigned or Released **60543 - 002**

_____ State of Washington _____ Space Above This Line For Recording Data

DEED OF TRUST *GNW 20-7487*

LOAN ORIGINATOR NAME AND NMLS/ _____ LICENSE ID **Jolee Yunker** **613959**

1. DATE AND PARTIES. The date of this Deed of Trust (Security Instrument) is 9/30/2020 and the parties, their addresses and tax identification numbers, if required, are as follows:

GRANTOR: **PAUL MATTHEW CALDWELL, JOY GRACE CALDWELL, husband and wife**

If checked, refer to the attached Addendum incorporated herein, for additional Grantors, their signatures and acknowledgments.

TRUSTEE: **UPF Washington Incorporated**
12410 E. Mirabeau Pkwy #100, Spokane Valley, WA 99216

LENDER: **O Bee Credit Union** NMLS/ _____ LICENSE ID **402662**
P.O. Box 5000
Lacey, WA 98509

Borrower. The word "Borrower" means each and every person or entity signing the loan agreement, including without limitation **PAUL MATTHEW CALDWELL, JOY GRACE CALDWELL**

Grantor. The word "Grantor" means any and all persons and entities executing this Deed of Trust, including without limitation **PAUL MATTHEW CALDWELL, JOY GRACE CALDWELL**

Any Grantor who signs this Deed of Trust, but does not sign the loan agreement is signing this Deed of Trust only to grant and convey that Grantor's interest in the Real Property and to grant a security interest in Grantor's interest in the rents and personal property to Lender and is not personally liable under the loan agreement except as otherwise provided by contract or law.

2. **CONVEYANCE.** For good and valuable consideration, the receipt and sufficiency of which is acknowledged, and to secure the Secured Debt (defined below) and Grantor's performance under this Security Instrument, Grantor irrevocably grants, conveys and sells to Trustee, in trust for the benefit of Lender, with power of sale, the following described property:

Lot 13, PLAT OF RIDGEWOOD, DIVISION NO. 1, according to the plat thereof, recorded in Volume 9 of Plats, pages 68 and 69, records of Skagit County, Washington. Situating in Skagit County, Washington.

The property is located in SKAGIT at _____

19511 RIDGEWOOD DR (Address) MT VERNON (City), Washington 98274 (ZIP Code)

(Signature)
(page 1 of 6)

Together with (i) improvements, buildings or structures of any nature whatsoever, now or hereafter erected on the property, (ii) all fixtures, including all plumbing, heating, air conditioning and ventilating equipment, now or hereafter located under, on or above the property, (iii) all rights, privileges, rents, royalties, mineral, oil and gas rights and profits, tenements, hereditaments, rights-of-way, easements, appendages, appurtenances, or water and riparian rights now or hereafter belonging or in any way appertaining to the property, and (iv) all of Grantor's right, title and interest in and to any streets, rights-of-way, alleys, ditches, water stock or strips of land now or hereafter adjoining thereto, including any replacements and additions to any of the foregoing. All of the foregoing is collectively referred to in this Deed of Trust as the "Property."

Grantor hereby assigns as security to Beneficiary all of Grantor's right, title, and interest in all to all leases, rents, and profits of the Property. The lien created by this assignment is intended to be specific, perfected and choate upon the recording of this Deed of Trust. Beneficiary grants to Grantor a license to collect the rents and profits, which license may be revoked at Beneficiary's option and shall be automatically revoked upon acceleration of all or part of the Secured Debt.

3. **MAXIMUM OBLIGATION LIMIT.** The total principal amount secured by this Security Instrument at any one time shall not exceed \$348,000.00. This limitation of amount does not include interest and other fees and charges validly made pursuant to this Security Instrument. Also, this limitation does not apply to advances made under the terms of this Security Instrument to protect Lender's security and to perform any of the covenants contained in this Security Instrument.
4. **SECURED DEBT.** The term "Secured Debt" is defined as follows:
- A. Debt incurred under the terms of all loan agreement(s), contract(s), guaranty(s) or other evidence of debt described below and all their extensions, renewals, modifications or substitutions. (You must specifically identify the debt(s) secured and you should include the final maturity date of such debt(s).)
- That certain loan agreement dated 9/30/2020 in the amount of \$348,000.00 between PAUL MATTHEW CALDWELL, JOY GRACE CALDWELL and O Bee Credit Union, due to mature on 10/1/2050.
- B. All additional sums advanced and expenses incurred by Lender for insuring, preserving or otherwise protecting the Property and its value and any other sums advanced and expenses incurred by Lender under the terms of this Security Instrument.

In the event that Lender fails to provide any necessary notice of the right of rescission with respect to any additional indebtedness secured under paragraph B of this Section, Lender waives any subsequent security interest in the Grantor's principal dwelling that is created by this Security Instrument (but does not waive the security interest for the debts referenced in paragraph A of this Section).

5. **DEED OF TRUST COVENANTS.** Grantor agrees that the covenants in this section are material obligations under the Secured Debt and this Security Instrument. If Grantor or Borrower breaches any covenant in this section, Lender may refuse to make additional extensions of credit and reduce the credit limit. By not exercising either remedy on Grantor's or Borrower's breach, Lender does not waive Lender's right to later consider the event a breach if it happens again.

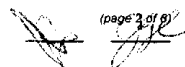
Grantor's Representations and Warranties. Grantor warrants that: (a) this Deed of Trust is executed at Borrower's request and not at the request of Lender; (b) Grantor has the full power right, and authority to enter into this Deed of trust and to hypothecate the Property; (c) the provisions of this Deed of Trust do not conflict with, or result in a default under any agreement or other instrument binding upon Grantor and do not result in a violation of any law; and (d) Lender has made no representation to Grantor about Borrower (including without limitation the creditworthiness of Borrower).

Payments and Performance. Except as otherwise provided in this Security Instrument Borrower shall pay to Lender all amounts secured by this Security Instrument as it becomes due, and Borrower and Grantor shall strictly perform all their respective obligations under the loan agreement, the Security Instrument and any related documents.

Prior Security Interests. With regard to any other mortgage, deed of trust, security agreement or other lien document that created a prior security interest or encumbrance on the Property, Grantor agrees to make all payments when due and to perform or comply with all covenants. Grantor also agrees not to allow any modification or extension of, nor to request any future advances under any loan agreement secured by the lien document without Lender's prior written approval.

Claims Against Title. Grantor will pay all taxes, assessments, liens, encumbrances, lease payments, ground rents, utilities, and other charges relating to the Property when due. Lender may require Grantor to provide to Lender copies of all notices that such amounts are due and the receipts evidencing Grantor's payment. Grantor will defend title to the Property against any claims that would impair the lien of this Security Instrument. Grantor agrees to assign to Lender, as requested by Lender, any rights, claims or defenses Grantor may have against parties who supply labor or materials to maintain or improve the Property.

Property Condition, Alterations and Inspection. Grantor will keep the Property in good condition and make all repairs that are reasonably necessary. Grantor shall not commit or allow any waste,

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impairment, or deterioration of the Property. Grantor agrees that the nature of the occupancy and use will not substantially change without Lender's prior written consent. Grantor will not permit any change in any license, restrictive covenant or easement without Lender's prior written consent. Grantor will notify Lender of all demands, proceedings, claims, and actions against Grantor, and of any loss or damage to the Property.

Lender or Lender's agents may, at Lender's option, enter the Property at any reasonable time for the purpose of inspecting the Property. Lender shall give Grantor notice at the time of or before an inspection specifying a reasonable purpose for the inspection. Any inspection of the Property shall be entirely for Lender's benefit and Grantor will in no way rely on Lender's inspection.

Authority to Perform. If Grantor fails to perform any duty or any of the covenants contained in this Security Instrument, Lender may, without notice, perform or cause them to be performed. Grantor appoints Lender as attorney in fact to sign Grantor's name or pay any amount necessary for performance. Lender's right to perform for Grantor shall not create an obligation to perform, and Lender's failure to perform will not preclude Lender from exercising any of Lender's other rights under the law or this Security Instrument.

Leaseholds; Condominiums; Planned Unit Developments. Grantor agrees to comply with the provisions of any lease if this Security Instrument is on a leasehold. If the Property includes a unit in a condominium or a planned unit development, Grantor will perform all of Grantor's duties under the covenants, by-laws, or regulations of the condominium or planned unit development.

Condemnation. Grantor will give Lender prompt notice of any pending or threatened action, by private or public entities to purchase or take any or all of the Property through condemnation, eminent domain, or any other means. Grantor authorizes Lender to intervene in Grantor's name in any of the above described actions or claims. Grantor assigns to Lender the proceeds of any award or claim for damages connected with a condemnation or other taking of all or any part of the Property. Such proceeds shall be considered payments and will be applied as provided in this Security Instrument. This assignment of proceeds is subject to the terms of any prior mortgage, deed of trust, security agreement or other lien document.

Insurance. Grantor shall keep Property insured against loss by fire, flood, theft and other hazards and risks reasonably associated with the Property due to its type and location. This insurance shall be maintained in the amounts and for the periods that Lender requires. The insurance carrier providing the insurance shall be chosen by Grantor subject to Lender's approval, which shall not be unreasonably withheld. If Grantor fails to maintain the coverage described above, Lender may, at Lender's option, obtain coverage to protect Lender's rights in the Property according to the terms of this Security Instrument.

All insurance policies and renewals shall be acceptable to Lender and shall include a standard "mortgage clause" and, where applicable, "loss payee clause." Grantor shall immediately notify Lender of cancellation or termination of the insurance. Lender shall have the right to hold the policies and renewals. If Lender requires, Grantor shall immediately give to Lender all receipts of paid premiums and renewal notices. Upon loss, Grantor shall give immediate notice to the insurance carrier and Lender. Lender may make proof of loss if not made immediately by Grantor.

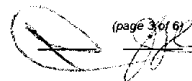
Unless otherwise agreed in writing, all insurance proceeds shall be applied to the restoration or repair of the Property or to the Secured Debt, whether or not then due, at Lender's option. Any application the due date of the scheduled payment or change the amount of any payment. Any excess will be paid to the Grantor. If the Property is acquired by Lender, Grantor's right to any insurance policies and proceeds resulting from damage to the Property before the acquisition shall pass to Lender to the extent of the Secured Debt immediately before the acquisition.

Financial Reports and Additional Documents. Grantor will provide to Lender upon request, any financial statement or information Lender may deem reasonably necessary. Grantor agrees to sign, deliver, and file any additional documents or certifications that Lender may consider necessary to perfect, continue, and preserve Grantor's obligations under this Security Instrument and Lender's lien status on the Property.

6. **WARRANTY OF TITLE.** Grantor warrants that Grantor is or will be lawfully seized of the estate conveyed by this Security Instrument and has the right to irrevocably grant, convey and sell the Property to Trustee, in trust, with power of sale. Grantor also warrants that the Property is unencumbered, except for encumbrances of record.
7. **DUE ON SALE.** Lender may, at its option, declare the entire balance of the Secured Debt, secured by the Security Instrument, to be immediately due and payable upon the creation of, or contract for the creation of, a transfer or sale of the Property. This right is subject to the restrictions imposed by federal law (12 C.F.R. 591), as applicable.
8. **DEFAULT.** Each of the following, at the option of the Lender, shall constitute an event of default ("Event of Default") under this Security Instrument:

Fraud. Any Borrower or Grantor engages in fraud or material misrepresentation in connection with the Secured Debt, the Security Instrument or any other related document.

Payments. Any Borrower on any Secured Debt fails to make a payment when due.

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Property. Any action or inaction by the Borrower or Grantor occurs that adversely affects the Property or Lender's rights in the Property. This includes, but is not limited to, the following: (a) Grantor fails to maintain required insurance on the Property; (b) Grantor transfers the Property; (c) Grantor commits waste or otherwise destructively uses or fails to maintain the Property such that the action or inaction adversely affects Lender's security; (d) Grantor fails to pay taxes on the Property or otherwise fails to act and thereby causes a lien to be filed against the Property that is senior to the lien of this Security Instrument; (e) a sole Grantor dies; (f) if more than one Grantor, any Grantor dies and Lender's security is adversely affected; (g) the Property is taken through eminent domain; (h) a judgment is filed against Grantor and subjects Grantor and the Property to action that adversely affects Lender's interest; or (i) a prior lienholder forecloses on the Property and as a result, Lender's interest is adversely affected.

Executive Officers. Any Borrower is an executive officer of Lender or an affiliate and such Borrower becomes indebted to Lender or another lender in an aggregate amount greater than the amount permitted under federal laws and regulations.

9. **REMEDIES ON DEFAULT.** In addition to any other remedy available under the terms of this Security Instrument, Lender may accelerate the Secured Debt and foreclose this Security Instrument in a manner provided by law upon the occurrence of an event of Default. In some instances, federal and state law will require Lender to provide Grantor or Borrower with notice of the right to cure, or other notices and may establish time schedules for foreclosure actions.

At the option of Lender, all or any part of the agreed fees and charges, accrued interest and principal shall become immediately due and payable, after giving notice if required by law, upon the occurrence of an Event of Default or anytime thereafter. Lender shall be entitled to, without limitation, the power to sell the Property.

If there is an Event of Default, Trustee shall, at the request of the Lender, advertise and sell the Property as a whole or in separate parcels at public auction to the highest bidder for cash and convey absolute title free and clear of all right, title and interest of Grantor at such time and place as Trustee designates. Trustee shall give notice of sale including the time, terms and place of sale and a description of the Property to be sold as required by the applicable law in effect at the time of the proposed sale.

Upon sale of the Property and to the extent not prohibited by law, Trustee shall make and deliver a deed to the Property sold which conveys absolute title to the purchaser, and after first paying all fees, charges and costs, shall pay to Lender all moneys advanced for repairs, taxes, insurance, liens, assessments and prior encumbrances and interest thereon, and the principal and interest on the Secured Debt, paying the surplus, if any, to Grantor. Lender may purchase the Property. The recitals in any deed of conveyance shall be prima facie evidence of the facts set forth therein.

The acceptance by Lender of any sum in payment or partial payment on the Secured Debt after the balance is due or is accelerated or after foreclosure proceedings are filed shall not constitute a waiver of Lender's right to require complete cure of any existing default. By not exercising any remedy upon an occurrence of an Event of Default, Lender does not waive Lender's right to later consider the event a default if it happens again.

10. **EXPENSES; ADVANCES ON COVENANTS; ATTORNEYS' FEES; COLLECTION COSTS.** If Grantor breaches any covenant in this Security Instrument, Grantor agrees to pay all expenses Lender incurs in performing such covenants or protecting its security interest in the Property. Such expenses include, but are not limited to, fees incurred for inspecting, preserving, or otherwise protecting the Property and Lender's security interest. These expenses are payable on demand and will bear interest from the date of payment until paid in full at the highest rate of interest in effect as provided in the terms of the Secured Debt. Grantor agrees to pay all costs and expenses incurred by Lender in collecting, enforcing or protecting Lender's rights and remedies under this Security Instrument. This amount may include, but is not limited to, attorneys' fees, court costs, and other legal expenses. To the extent permitted by the United States Bankruptcy Code, Grantor agrees to pay the reasonable attorneys' fees Lender incurs to collect the Secured Debt as awarded by any court exercising jurisdiction under the Bankruptcy Code. This Security Instrument shall remain in effect until released. Grantor agrees to pay for any recordation costs of such release.

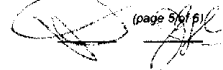
11. **ENVIRONMENTAL LAWS AND HAZARDOUS SUBSTANCES.** As used in this section, (1) Environmental Law means, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA, 42 U.S.C. 9601 et seq.), and all other federal, state and local laws, regulations, ordinances, court orders, attorney general opinions or interpretive letters concerning the public health, safety, welfare, environment or a hazardous substance; and (2) Hazardous Substance means any toxic, radioactive or hazardous material, waste, pollutant or contaminant which has characteristics which render the substance dangerous or potentially dangerous to the public health, safety, welfare or environment. The term includes, without limitation, any substances defined as "hazardous material," "toxic substances," "hazardous waste," "hazardous substance," or "regulated substance" under any Environmental Law.

Grantor represents, warrants and agrees that:

- A. Except as previously disclosed and acknowledged in writing to Lender, no Hazardous Substance is or will be located, stored or released on or in the Property. This restriction does

not apply to small quantities of Hazardous Substances that are generally recognized to be appropriate for the normal use and maintenance of the Property.

- B. Except as previously disclosed and acknowledged in writing to Lender, Grantor and every tenant have been, are, and shall remain in full compliance with any applicable Environmental Law.
- C. Grantor shall immediately notify Lender if a release or threatened release of a Hazardous Substance occurs on, under or about the Property or there is a violation of any Environmental Law concerning the Property. In such an event, Grantor shall take all necessary remedial action in accordance with any Environmental Law.
- D. Grantor shall immediately notify Lender in writing as soon as Grantor has reason to believe there is any pending or threatened investigation, claim, or proceeding relating to the release or threatened release of any Hazardous Substance or the violation of any Environmental Law.
12. **ESCROW FOR TAXES AND INSURANCE.** Unless otherwise provided in a separate agreement, Grantor will not be required to pay to Lender funds for taxes and insurance in escrow.
13. **JOINT AND INDIVIDUAL LIABILITY; CO-SIGNERS; SUCCESSORS AND ASSIGNS BOUND.** All duties and obligations of Grantor or Borrower under this Security Instrument are joint and several. If Grantor signs this Security Instrument but does not sign an evidence of debt, Grantor does so only to mortgage Grantor's interest in the Property to secure payment of the Secured Debt and Grantor does not agree to be personally liable on the Secured Debt. If this Security Instrument secures a guaranty between Lender and Grantor, Grantor agrees to waive any rights that may prevent Lender from bringing any action or claim against Grantor or any party indebted under the obligation. These rights may include, but are not limited to, any anti-deficiency or one-action laws. The duties and benefits of this Security Instrument shall bind and benefit the successors and assigns of Grantor and Lender.
14. **SEVERABILITY; INTERPRETATION.** This Security Instrument is complete and fully integrated. This Security Instrument may not be amended or modified by oral agreement. Any section in this Security Instrument or attachments that conflicts with applicable law will not be effective, unless that law expressly or impliedly permits the variations by written agreement. If any section of this Security Instrument cannot be enforced according to its terms, that section will be severed and will not affect the enforceability of the remainder of this Security Instrument. Whenever used, the singular shall include the plural and the plural the singular. The captions and headings of the sections of this Security Instrument are for convenience only and are not to be used to interpret or define the terms of this Security Instrument. Time is of the essence in this Security Instrument.
15. **SUCCESSOR TRUSTEE.** Lender, at Lender's option, may from time to time remove Trustee and appoint a successor trustee without any other formality than the designation in writing. The successor trustee, without conveyance of the Property, shall succeed to all the title, power and duties conferred upon Trustee by this Security Instrument and applicable law.
16. **NOTICE.** Unless otherwise required by law, any notice shall be given by delivering it or by mailing it by both first class mail and either registered or certified mail, return receipt requested, to the appropriate party's address on page 1 of this Security Instrument, or to any other address designated in writing. Notice to one grantor will be deemed to be notice to all grantors.
17. **USE OF PROPERTY.** The property subject to this Deed of Trust is not used principally for agricultural purposes.
18. **APPLICABLE LAW.** This Security Instrument is governed by the laws as agreed to in the Secured Debt, except to the extent required by the laws of the jurisdiction where the Property is located, and applicable federal laws and regulations.
19. **WAIVER OF HOMESTEAD EXEMPTION.** Grantor hereby releases and waives all rights and benefits of the homestead exemption laws of the State of Washington as to all indebtedness secured by this Deed of Trust.
20. **RIDERS.** The covenants and agreements of each of the riders checked below are incorporated into and supplement and amend the terms of this Security Instrument.
[Check all applicable boxes]
 Assignment of Leases and Rents Other _____
21. **Rental Assignment; Increase in Interest Rate.** For security purposes only, and for so long as there shall be an outstanding balance on our loan, Grantor hereby assigns to Beneficiary all rental or lease payments which may be due for the Property. In the event there should be any delinquency or default on the terms of our Loan Agreement or in the event Beneficiary should have reason to deem itself insecure, Beneficiary shall have the right to make demand on any tenant or lessee of the Property to make rental or lease payments directly to Beneficiary until further notice. This provision and Deed of Trust shall constitute notice and direction to any lessee or tenant, present or future, to honor any written demand from Beneficiary for payment. Any payment to Beneficiary pursuant to such demand shall be deemed payment to Grantor. Upon the commencement of any lease or tenancy Borrower and Grantor agree to advise Beneficiary of the terms of payment and to provide copies of any rental or lease agreements.

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Borrower and Grantor acknowledge that the interest rate charged by Beneficiary for loans secured by non-owner occupied real estate is greater than the interest rate charged for loans secured by owner-occupied real estate. In the event Grantor should rent or lease the premises described above, Borrower and Grantor hereby agree that Beneficiary is authorized to increase the rate of interest on the outstanding balance of the loan to the standard rate charged by Beneficiary for loans secured by non-owner occupied real estate. This increase in interest rate shall become effective on the date which the premises becomes non-owner occupied.

22. ADDITIONAL TERMS.

23. **SIGNATURES.** By signing below, Grantor agrees to the terms and covenants contained in this Security Instrument and in any attachments. Grantor also acknowledges receipt of a copy of this Security Instrument on the date stated on page 1.

[Signature] 9/30/2020 [Signature] 9.30.2020
(Signature) (Date) (Signature) (Date)

(Signature) (Date) (Signature) (Date)

Non-Borrower Owner(s): BY SIGNING BELOW, Non-Borrower accepts and agrees to the terms and covenants contained in this Deed of Trust and in any rider(s) executed by Non-Borrower and recorded with it, which means Non-Borrower can lose their home if Borrower defaults. However, by signing, Non-Borrower is not personally obligated to repay the Debt contemplated in this Deed of Trust.

X _____ X _____

X _____ X _____

ACKNOWLEDGMENT:

STATE OF Washington, COUNTY OF SKAGIT) ss.

I certify that I know or have satisfactory evidence that PAUL MATTHEW CALDWELL

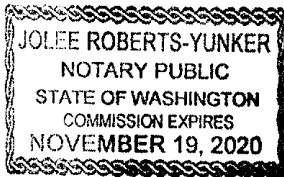
JOY GRACE CALDWELL

(Individual) _____ is/are the individual(s) who appeared before me, and said individual(s) acknowledged that she/he/they signed this instrument and acknowledged it to be free and voluntary act for the uses and purposes mentioned in the instrument.

Dated: 9/30/2020

Jolee Roberts-Yunker
(Seal) Notary Public in and for the State of Washington, residing at
Thurston County

My appointment expires: 11/19/2020



REQUEST FOR RECONVEYANCE

(Not to be completed until paid in full)

TO TRUSTEE:

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

(Authorized Bank Signature)

Date