

ACCOMMODATION
RECORDINGSwinomish Housing Authority
P.O. Box 677
La Conner, WA 98257**SECOND DEED OF TRUST**Chicago Title Company
620051032

THIS SECOND DEED OF TRUST made this 5th day of April, 2022, by and among
Borrower Name: Kenneth C Cayou, an unmarried man
Address: 1452 Vecchio Court, Sedro Woolley, WA 98284

herein called TRUSTOR, and

Swinomish Housing Authority of P.O. Box 677, La Conner, WA 98257, herein called
BENEFICIARY, and,

Escrow/Title Company: Chicago Title Company of Washington
Address: 1835 Barkley Blvd, #105
Bellingham, WA 98226
herein called TRUSTEE, WITNESSETH:

Abbreviated Legal: LT 12, Sauk Mountain View Estates South, a Planned Residential
Development, PH 2 - Full Legal Attached as Exhibit A, Page 9

Assessor's Tax Parcel ID: P121316 / 4830-000-012-0000

RECITALS

WHEREAS, Beneficiary has provided certain funds to Trustor for the purposes of making possible the purchase of the below described property and as part of the purchase price; and

WHEREAS, Trustor owes Beneficiary the sum of \$ 30,000.00, as the balance due as stated in the Promissory Note; and

WHEREAS, the parties desire that a record of said obligation be made by virtue of this instrument;

Now therefore, in consideration of the mutual covenants and conditions herein contained, the Trustor agrees as follows:

PRELIMINARY

[1] The parties agree that the matter set forth above in the Recitals is hereby warranted as being true and correct and is further adopted as a portion of the agreement of the parties set forth herein.

[2] The Trustor grants, bargains, sells and conveys to Trustee, in Trust with Power of Sale, that property described as:

Property Address: 1452 Vecchio Court
Sedro Woolley, WA 98284

Trustors acknowledge the receipt, sufficiency, and mutuality of the consideration supporting these presents, and agrees as follows:

**ARTICLE I
PURPOSE**

[1] **SECURITY.** This Second Deed of Trust is made for the purpose of securing the following:

- A. Performance of each agreement of Trustor herein contained; and
- B. Payment of the sum of \$30,000.00 cash, and legal tender of the United States of America, pursuant to the terms contained in a Second Deed of Trust & Promissory Note of even date herewith.
- C. Any and all sums Beneficiary may expend or advance in accordance herewith for the protection or preservation of the property covered by this Second Deed of Trust.

[2] **OTHER ENCUMBRANCES.** No mortgage, lien or other encumbrance whatsoever covering or affecting the collateral herein described exists, save and except as follows:

That certain First Deed of Trust of date herewith in the amount of \$378,646.00 wherein
Borrower Name: Kenneth C Cayou
 are Trustor, Swinomish Housing Authority is Beneficiary, and
Chicago Title Company of Washington ⁶
 is Trustee, which Deed of Trust is recorded on April 4, 2022 as documented Number
202204060073 in the records of Skagit County, Washington.

[3] **TERM.** The term of this Second Deed of Trust for the purposes of Indian Housing Block Grant ("IHBG")-ARP Program is ten (10) years from the date hereof unless the obligation is earlier satisfied.

ARTICLE II OBLIGATIONS OF TRUSTOR

[1] **PROTECTION OF SECURITY OF SECOND DEED OF TRUST.** To protect the security of this Second Deed of Trust, Trustor shall:

- A. Pay promptly the principal of and interest on the indebtedness evidenced by said note and in the manner provided therein.
- B. Upon breach or default and upon written demand by the Beneficiary, pay to Beneficiary in addition to the installments of principal and interest under the terms of said note secured hereby and concurrently therewith until said note is paid, all delinquent monies due and owing upon demand by Beneficiary.
- C. Protect and preserve said property to maintain it in good condition and repair.
- D. Not remove or demolish any building or improvement thereon, without written permission from beneficiary first obtained. Trustor may alter and improve said building or improvements thereon, so long as Trustor complies with all building codes applicable, the laws and regulations of all municipal or state governmental agencies.
- E. Complete or restore promptly and in good and workmanlike manner any building or improvement which may be constructed, damaged, or destroyed thereon, and pay when due all costs incurred therefor, and as concerns any construction required or permitted to be done on the above described property. Trustor shall also:
 - (a) Commence construction promptly and in any event within 60 days from the date thereof and complete same to the satisfaction of Beneficiary;
 - (b) Allow Beneficiary to inspect said property at all times during construction;
 - (c) Promptly post notice of non-responsibility on behalf of Beneficiary.
- F. Not commit or permit waste of said property.
- G. Comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting said property and not to commit, suffer or permit any act upon or concerning said property in violation of law.
- H. Do all other things which from the character and use of said property may be reasonably proper or necessary, the specific enumeration herein not excluding the general.
- I. Provide and maintain, through a domestic or foreign company qualified to do business in Washington State, insurance against loss by fire and other hazards, casualties and contingencies as may be required from time to time by the Beneficiary in such amounts and for such periods as may be required by Beneficiary, with loss payable to Beneficiary and Trustor as Beneficiary's interest may appear, and to deliver all copies of said policies to Beneficiary. In the event of loss, Trustor will give immediate notice thereof to Beneficiary. The Trustor hereby authorizes Beneficiary at its option to collect, adjust and compromise any losses under any of the insurance aforesaid, subject to the mutual consent of Trustor. The amount collected under any such insurance policy may be applied by Beneficiary upon any indebtedness secured

hereby, and in such order as Beneficiary may determine or at the option of Beneficiary the entire amount so collected or any part thereof, may be released to Trustor. Such application or release shall not cure or waive any default, or notice of default hereunder, or invalidate any act done pursuant to such notice.

J. Appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary, or Trustee; and pay all costs and expenses, including cost of evidence of title and attorneys fees actually incurred by the Beneficiary in any such action or proceeding in which Beneficiary or Trustee may appear, and in any suit brought by Beneficiary to foreclose this Second Deed of Trust.

K. Pay at least ten days before delinquency all taxes and assessments affecting said property; plus when due, all encumbrances, charges and liens, with interest, on said property or any part thereof, which appear to be prior or superior hereto; all costs, fees, and expenses of this Trust.

L. Pay immediately and without demand all sums expended hereunder by Beneficiary or Trustee pursuant to the provisions hereof, with interest from the date of expenditure at the legal rate of interest then prevailing in the State of Alaska, and the repayment thereof shall be secured hereby.

[2] MAINTENANCE AND REPAIR. The Beneficiary shall have the right, at any time and from time to time to engage an independent Realtor to survey the adequacy of the maintenance of said property. If found inadequate, such Realtor shall determine the estimated cost of such repairs and replacements necessary to protect and preserve the rentability and usability of the said property and the Trustor does hereby acknowledge that the security of this Second Deed of Trust is thereby impaired to the extent of the estimated cost of such repairs and replacements; reasonable wear and tear excepted. In such event, at the option of the Beneficiary and within ninety (90) days after written demand therefor, a sum equal to the amount of such estimated cost shall thereupon become due and payable by Trustor to be applied upon the indebtedness secured hereby unless within such period Trustor at his own cost and expense, shall have completed or shall have commenced and thereafter, with diligence, completes such repairs and replacements. In such event, Trustor shall also reimburse the Beneficiary the cost of such survey, the same being secured hereby. If the survey determines such maintenance to be adequate, then the cost thereof shall be at the expense of the Beneficiary.

[3] DEFAULT ON PRIOR DEED OF TRUST. Any event of default under a prior Deed of Trust is expressly made to be a default under this Second Deed of Trust.

[4] WARRANTY OF TITLE. The Trustor warrants title to the collateral or substitute collateral as the case may be.

[5] WAIVER OF STATUTE OF LIMITATION, HOMESTEAD EXEMPTION, ETC. The pleading of any statute of limitations as a defense to any and all obligations secured by this Second Deed of Trust, is hereby waived. Trustor also waives and renounces for himself, and family, any homestead and exemption rights with respect to

- (a) the debt secured hereby or any renewals of extensions thereof, and
- (b) to the property covered by this Second Deed of Trust.

ARTICLE III DEFAULT-RIGHTS AND REMEDIES

[1] IMMEDIATELY DUE AND PAYABLE. Upon default or breach by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder or upon the default or breach in the performance of any loan agreement or related agreements executed in connection herewith, all sums secured hereby shall immediately become due and payable at the option of the Beneficiary.

[2] PROCEDURE UPON DEFAULT. Upon any event of default, Beneficiary may, at its election, proceed to sue upon the note, and foreclose judicially or nonjudicially, or may foreclose either judicially or nonjudicially without first suing upon the note.

[3] JUDICIAL SALE - APPLICATION OF PROCEEDS. In the event of default, Beneficiary may execute or cause the Trustee to execute a written notice of default and of its election to cause to be sold the herein described property to satisfy the obligation hereof, and shall cause such notice to be recorded in the office of the recorder of each recording county

wherein said real property, or some part thereof is situated. Notice of sale having been given as then required by law and not less than the time required by law having elapsed after recordation of such notice of default, Trustee, without demand on Trustor, shall sell said property at the time and place of sale fixed by it in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine, at public auction, to the highest and best bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of the property in the manner provided by law. Trustee shall deliver to the purchaser its deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee, or Beneficiary, as hereunder defined, may purchase at such sale. After deducting all costs, fees and expenses of Trustee and the beneficiary, and of this Trust, including but not limited to cost of evidence of title and actual attorneys' fees in connection with the sale, Trustee shall apply the proceeds of sale to payment of all sums expended under the terms hereof not then repaid with accrued interest at the rate provided in the principal debt, all other sums then secured hereby, and the remainder, if any, to the person or persons legally entitled thereto.

[4] DEFICIENCY JUDGMENT. If Beneficiary in the event of a default elects to proceed by the judicial foreclosure method provided in the above section, a deficiency judgment shall not be entered against the maker, surety or guarantor of the note secured by this Second Deed of Trust. However, if in the event of a default Beneficiary elects to:

- (a) Judicially foreclose this Second Deed of Trust as a lien or mortgage, or
- (b) commences an action on the note secured by this Second Deed of Trust, the holder of this note shall be entitled to a personal judgment against the maker, surety or guarantor of such note.

[5] RIGHT TO COLLECT RENTS AND PROFITS. As additional security, Trustor hereby gives to and confers upon Beneficiary the right, power and authority, during the continuance of this Trust, to collect the rents, issues and profits of said property, reserving unto Trustor the right prior to any default by Trustor in payment of an indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon such default, Beneficiary may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in his own name sue for or otherwise collect such rents, issues and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including actual attorneys' fees upon any indebtedness secured hereby, and in such order as Beneficiary may determine. Failure or discontinuance of Beneficiary at any time, or from time to time, to collect any such amounts shall not in any manner affect the subsequent enforcement by Beneficiary of the right, power and authority to collect the same. The entering upon and taking possession of said property, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder, or invalidate any act done pursuant to such notice. Nothing contained herein, nor the exercise of the right by Beneficiary to collect, shall be, or be construed to be, an affirmation by Beneficiary of any tenancy, lease, or option, nor an assumption of liability under, nor a subordination of the lien or charge of this Second Deed of Trust, to any such tenancy, lease or option.

[6] RIGHT OF BENEFICIARY OR TRUSTEE TO PERFORM. Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon the property for such purposes commence, appear in, and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest, or compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto; and exercising any such powers, incur any liability, expend whatever amounts in its absolute discretion as it may deem necessary therefor, including costs of evidence of title, employ counsel, and pay its actual attorneys' fees, which costs shall be borne by the Trustor.

[7] UNAUTHORIZED TRANSFER OF INTEREST IN COLLATERAL. Trustor shall not sell, convey, transfer, dispose of, or further encumber said property, or any part thereof, or any interest therein, or agree to do so, without first having obtained the written consent of

Beneficiary; it being the intent and purpose to limit Trustor's right to transfer or dispose of said property by Beneficiary. Beneficiary shall likewise have the right to refuse to allow such transfer or assignment, or to make new conditions attach thereto in the event Beneficiary shall elect to allow such transfer or assignment. Should Trustor make such assignment or transfer without the written consent of Beneficiary first had and obtained, then Beneficiary shall have the right, at its option, to declare all sums secured hereby forthwith due and payable. Consent to one such transaction shall not be deemed to be a waiver of the right to require such consent to future or successive transactions. Trustor shall not attempt, permit or cause an assignment or transfer of the subject property or any interest therein without the prior written consent of Beneficiary being first had and obtained. Provided however, that Trustor may arrange for the sale and transfer of the subject property provided that the entire amount secured hereby is guaranteed and assured to be paid to Beneficiary prior to the transfer or assignment of any interest to the subject property and provided that the sale complies with the provisions of the Resale Restriction Agreement and Option to Purchase of even date hereto.

[8] DUE ON SALE PROVISION. If all or any part of the property, or an interest therein is sold or transferred by Trustor without Beneficiary's prior written consent, Beneficiary may, at Beneficiary's option, declare all the sums secured by this Second Deed of Trust to be immediately due and payable. If Beneficiary exercises its option to accelerate, Beneficiary shall mail Trustor notice of acceleration by certified mail. Such notice shall provide a period of not less than 30 days from the date the notice is mailed within which Trustor may pay the sums declared due. If Trustor fails to pay such sums prior to the expiration of such period, Beneficiary may, without further notice or demand on Trustor, invoke any remedies set forth in this Second Deed of Trust or provided by statute, including foreclosure.

[9] NOTICE TO TRUSTOR. The undersigned Trustor requests that a copy of any Notice of Default or any Notice of Sale hereunder be either.

- (a) mailed to him by registered or certified mail at the address set forth below, or
- (b) be delivered personally to him.

ARTICLE IV TRUSTEE

[1] ACCEPTANCE OF TRUST - LIMITATION OF DUTIES. Trustee accepts this Trust when this Second Deed of Trust, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under another Deed of Trust or any action or proceeding in which the Trustor, Beneficiary or trustee shall be a party unless brought by Beneficiary.

[2] DISCHARGE AND SUBSTITUTION OF TRUSTEE. Beneficiary may, from time to time, as provided by statute, appoint another Trustee in place and stead of Trustee named herein, and thereupon, the Trustee herein named shall be discharged and the Trustee so appointed shall be substituted as trustee hereunder with the same effect as if originally named Trustee herein.

[3] POWERS OF TRUSTEE. Below are listed some of the powers of the Trustee, and such powers are not thus expressly limited thereto, but Trustee shall possess and retain such powers as are conferred on it by operation of law and statute:

A. Any time from time to time, without liability therefor, upon written request by Beneficiary and presentation for endorsement of this Second Deed of Trust and the note secured hereby, Trustee may execute a subordination agreement whereby this Second Deed of Trust shall become subject and subordinate, in whole or in part (but not with respect to the priority of entitlement to insurance proceeds or any award in condemnation) to any and all leases of all or any part of the said property, upon recording thereof in the Recording County in which the said property is situate.

B. At any time, or from time to time, without liability therefor, upon written request by Beneficiary and presentation of this Second Deed of Trust and said note for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may reconvey all or any part of said property; consent to the making of any map or plat thereof; or join in any extension agreement or any agreement subordinating the lien or charge hereof.

C. Upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Second Deed of Trust and said note to Trustee for cancellation

and retention and upon payment of its fees, Trustee shall reconvey, without warranty the property then held hereunder. The recitals in any re-conveyance executed under this Second Deed of Trust of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in such re-conveyance may be described as the person or persons legally entitled thereto.

[4] **RIGHT OF SUBROGATION.** The Trustee is surrogated to the rights of all beneficiaries, mortgagees, lien holders and owners directly or indirectly paid off or satisfied in whole or in part by the proceeds of any debt hereby secured, regardless of whether said persons upon payment assigned or released of record their right.

ARTICLE V MISCELLANEOUS PROVISIONS

[1] **CONDEMNATION.** The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of the property, or part thereof, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Beneficiary. In the event of a total taking of the property, the proceeds shall be applied to the sums secured by this Second Deed of Trust, with the excess, if any, paid to Trustor. In the event of a partial taking of the property, unless Trustor and Beneficiary otherwise agree in writing, there shall be applied to the sums secured by this Second Deed of Trust such proportion of the proceeds as is equal to that proportion which the amount of the sums secured by this Second Deed of Trust immediately prior to the date of taking bears to the fair market value of the property immediately prior to the date of taking, with the balance of the proceeds paid to Trustor. If the property is abandoned by Trustor, or if, after notice by Beneficiary to Trustor that the condemner offers to make an award or settle a claim for damages, Trustor fails to respond to Beneficiary within thirty (30) days after the date such notice is mailed, Beneficiary is authorized to collect and apply the proceeds at Beneficiary's option, either to restoration or repair of the property or to the sums secured by this Second Deed of Trust. Unless Beneficiary and Trustor otherwise agree in writing, any such application of proceeds to principal shall not extend or postpone the due date of the monthly installments referred to in Article I hereof or change the amount of such installment payments.

[2] **NON-WAIVER.**

A. The failure of the parties to strictly enforce at any time any of the provisions of this agreement, or to exercise any option which is herein provided, or to require at any time performance by another party of any of the provisions hereof, shall not unless specifically otherwise provided herein, be construed to be a waiver thereof, nor in any way affect the validity of this agreement, or any part thereof, or the right of any party thereafter to strictly enforce the same.

B. No payment hereunder or receipt therefor of a lesser amount shall be deemed to be other than on account of the required payment; nor shall any endorsement or statement on any check or any letter or writing accompanying any check or payment be deemed an accord and satisfaction. The payee may accept such check or payment without prejudice to his right to recover the balance of the required amount or pursue any other remedy he may have.

[3] **CONSTRUCTION.**

A. Unless the agreement otherwise requires, words in the singular include the plural, and in the plural include the singular. Words in the masculine gender include the feminine and the neuter; and when the sense so indicates, words in the neuter may refer to any gender.

B. The captions, section numbers, and article numbers in this agreement are inserted only as a matter of convenience and in no way define, limit, construe or describe the scope of intent of such sections or articles of this agreement, nor in any way affect the agreement, the breach of any of which shall constitute default hereunder.

C. This agreement shall be governed by and construed in accordance with the substantive laws of the Swinomish Indian Tribal Community, and in the absence of any applicable Swinomish Tribal law, by applicable federal law, and the absence of applicable federal law, by Washington State law. All parties, including the Trustor and Trustee, expressly agree to personal jurisdiction in the Swinomish Tribal Court for the resolution of all controversies, claim and disputes and understands and agrees that this Deed of Trust and note constitutes a consensual relationship with the Tribe to give rise to subject matter jurisdiction of the Swinomish Tribal Court over such controversies, claims and disputes. Nothing in this Deed

of Trust and accompanying Note shall be construed as a waiver of the Tribe's inherent sovereign immunity.

D. Each provision contained herein shall be deemed to constitute both a covenant and condition of this agreement.

E. Each party acknowledges that they have been advised to seek the advice of an attorney of their own choice and who will act on their own behalf with regard to these presents, and each party further acknowledges that they have had ample opportunity to have access to their attorney. Accordingly, each party shall be deemed to be co-drafters of these presents, and therefore the doctrine that an instrument shall be construed against the drafter shall have no application herein.

F. Time is of the essence of this agreement.

G. The remedies provided for herein shall be cumulative, non-exclusive and in addition to any other rights and remedies both at law and in equity.

H. Words of broad or general meaning shall in no wise be limited because of their use in connection with words of more restricted significance.

[4] **OBLIGATIONS, JOINT AND SEVERAL.** If there be more than one Trustor hereunder, their obligations shall be joint and several.

[5] **NOTICE.** Any notice, request, offer or other communication required, or permitted to be given under this agreement, shall be deemed properly given or made when mailed by registered or certified mail in the ordinary course, postage prepaid, if addressed as follows:

TRUSTORS: Borrower Name: Kenneth C Cayou
Address: 1452 Vecchio Court
Sedro Woolley, WA 98284

TRUSTEE: Escrow/Title Company Name: Chicago Title Company of Washington
Address: 1835 Barkley Blvd, #105
Bellingham, WA 98226

BENEFICIARY: Swinomish Housing Authority
P.O. Box 677
La Conner, WA 98257

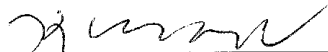
Or at such other addresses as may be from time to time, be designated by the requesting parties in writing.

[6] **PARTIAL INVALIDITY.** If any term, covenant or condition of this agreement, or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this agreement, or the application of such term, covenant or condition to persons or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby and each term, covenant or condition of this agreement shall be valid and be enforced to the fullest extent permitted by law.

[7] **REMEDIES NOT EXCLUSIVE.** The enumeration hereunder of the rights and remedies of the Trustee or Beneficiary or both, are cumulative, and such enumeration is not intended to imply that such rights and remedies are mutually exclusive nor that they are in lieu of any or all statutory, common law, equitable or other rights granted to or vested in the holder of said note, by virtue of the laws of the Swinomish Indian Tribal Community and the State of Washington, including but not limited to a judicial or nonjudicial foreclosure and sale plus deficiency judgment, or an action on the debt secured hereby.

[8] **BINDING ON SUCCESSORS IN INTEREST.** These presents shall inure to the benefit of and be binding upon the successors in interest of the parties hereto.

IN WITNESS WHEREOF, the undersigned has signed and sealed this instrument on the 5 day of April, 2022 next hereinafter acknowledged.


Kenneth C Cayou

STATE OF WASHINGTON)
) ss:
Whatcom)

THIS IS TO CERTIFY that on this 5th day of April, 2022, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Kenneth C. Cayer to me known to be the persons described in and who executed the above and foregoing instrument; and who acknowledged to me that they signed and sealed the same, severally, freely and voluntarily for the uses and purposes therein mentioned.

WITNESS my hand and official seal the day and year in this certificate first above written.

NOTARY PUBLIC FOR WASHINGTON

By: [Signature]
 My Commission Expires: 8/31/23

After recording return to:

Swinomish Housing Authority
P.O. Box 677
La Conner, WA 98257



EXHIBIT "A"
Legal Description

For APN/Parcel ID(s): P121316 / 4830-000-012-0000

LOT 12, SAUK MOUNTAIN VIEW ESTATES SOUTH - A PLANNED RESIDENTIAL DEVELOPMENT
PHASE 2, ACCORDING TO THE PLAT THEREOF, RECORDED JANUARY 29, 2004, UNDER
AUDITOR'S FILE NO. 200401290101, RECORDS OF SKAGIT COUNTY, WASHINGTON.

SITUATE IN THE COUNTY OF SKAGIT, STATE OF WASHINGTON.