

LOAN AGREEMENT



This Loan Agreement (the “**Agreement**”) by and between the EVERETT GOSPEL MISSION, a Washington nonprofit corporation (“**EGM**”) and the CITY OF EVERETT, a Washington municipal corporation (the “**City**”) is dated for reference purposes November 7, 2024 (the “**Effective Date**”) and is made to facilitate the acquisition of the certain property and certain other costs, all for the purposes of providing emergency bridge housing as set forth in this Agreement.

RECITALS

- A. Under Interlocal Agreement Between Snohomish County and the City of Everett for Emergency Bridge Housing dated **October 30, 2024** (the “**City-County ILA**”), the City has received from Snohomish County (the “**County**”) funding from the County’s chemical dependency/mental health program fund (CDMH) pursuant to RCW 82.14.460 and chapter 4.25 SCC. Under RCW 82.14.460, such funding must be used:
- solely for the purpose of providing for the operation or delivery of chemical dependency or mental health treatment programs and services and for the operation or delivery of therapeutic court programs and services. Moneys collected by cities and counties under this section may also be used for modifications to existing facilities to address health and safety needs necessary for the provision, operation, or delivery of chemical dependency or mental health treatment programs or services otherwise funded with moneys collected in this section. For the purposes of this section, “programs and services” includes, but is not limited to, treatment services, case management, transportation, and housing that are a component of a coordinated chemical dependency or mental health treatment program or service.
- B. EGM proposes to acquire (or already has acquired) property located at 3715 and 3719 Smith Avenue in Everett, WA, which is legally described in the attached Exhibit A (the “**Property**”).
- C. EGM will use the Property for emergency bridge housing, with chemical dependency or mental health treatment programs and services. The emergency bridge housing and these programs and services to be provided on the Project Property, and certain requirements thereto, are described in Exhibit B to this Agreement (the “**Project**”).
- D. This Agreement provides CDMH funding to EGM as a deferred forgivable loan in the amount of \$4 million at three percent (3%) simple interest for the following Project purposes:
1. Funding EGM’s acquisition of the Project Property, which will be approximately \$2.5 million. This acquisition must occur before December 31, 2024, or else the City may terminate this Agreement; and
 2. Funding EGM’s Allowable Project Costs (as set forth below); and
 3. If there are remaining funds, funding EGM’s other Project-related costs, subject to County and City pre-approval.
- E. In connection with the forgivable loan provided in this Agreement, EGM will execute a promissory note in form of the attached Exhibit C (the “**Note**”), which will be secured by a deed of trust in the form of the attached Exhibit D (the “**Deed of Trust**”). This Agreement provides that, if the Project is not physically ready for Project operation by December 31, 2026 (or such later date as may be approved in writing by the County and City), then the City may exercise remedies under the Loan Documents (as defined below).

- F. In connection with the forgivable loan provided in this Agreement, EGM will execute a use restriction covenant in the form of the attached Exhibit E (the “**Restrictive Covenant**”), which will restrict the Property until December 31, 2051, as described therein. This Agreement, the Note, Restrictive Covenant, and the Deed of Trust are collectively referred to in this Agreement as the “**Loan Documents**.”

AGREEMENT

NOW, THEREFORE, in consideration of their mutual promises herein contained, the parties hereto agree as follows:

I. BASIC LOAN TERMS

A. Purpose of the Loan/Project Deadline

The purpose of the Loan (defined below) is to facilitate the Property being physically ready for Project operation no later than December 31, 2026 (unless such date is extended in writing by the County and City). EGM will use the Loan for acquisition of the Property and for Allowable Project Costs, with EGM securing funding from other sources for necessary improvements to the Property. Remaining Loan funds may only be used for purposes pre-approved by the County and City.

By executing this Loan Agreement, EGM agrees to cause the Property to be physically ready for Project operation no later than December 31, 2026 (unless such date is extended in writing by the County and City).

For the purposes of this Agreement and the other Loan Documents, the Property is deemed “physically ready for Project operation” when the Property, as determined by the City’s Director of Community Development, is physically able to be used for Project purposes with all improvements to the Property necessary for Project operation substantially completed, which must include capacity for 65 beds of emergency bridge housing and capacity for up to an additional 60 emergency severe weather shelter beds on the Property.

B. The Loan

Subject to the terms and conditions of this Agreement and the other Loan Documents, EGM is hereby provided a deferred loan at three percent (3%) simple interest in a principal amount not to exceed \$4 million (\$4,000,000) (the “**Loan**”).

Principal and interest shall be due on December 31, 2026 (unless such date is extended in writing by the County and City), at which time the full balance due and owing under the Loan Documents shall be paid by EGM, except that, if the Project is physically ready for Project operation by December 31, 2026 (or such later date approved in writing by the County and City), and EGM is otherwise in compliance with the Loan Documents, then the City will forgive the Loan (including forgiveness of 100% of the principal and 100% of the interest), with the Note deemed paid in full and with the Deed of Trust reconveyed or otherwise terminated. This forgiveness does not affect the Restrictive Covenant, which will remain in effect until December 31, 2051.

If the Project is not physically ready for Project operation by December 31, 2026 (or such later date approved in writing by the County and City), the principal, interest, and reconveyance fees shall be due on December 31, 2026 (unless such date is

extended in writing by the County and City), at which time the full balance due and owing under the Loan Documents shall be paid by EGM. This payment does not affect the Restrictive Covenant, which will remain in effect until December 31, 2051.

C. Security for the Loan

The Loan shall be evidenced by the Note. As set forth in the Loan Documents, EGM shall execute and deliver for recording the Deed of Trust, which will secure the Loan as set forth in the Loan Documents. EGM shall also execute and deliver for recording the Restrictive Covenant.

II. BUDGET AND LOAN DISBURSEMENT

A. Project Budget. The total Loan is not to exceed \$4 million, which shall be first used for acquisition costs for the Property and Allowed Project Costs, with the remainder for Project costs as may be preapproved by the County and City, with all such costs incurred between June 1, 2024, and December 31, 2026 (or such later date approved in writing by the County and City).

B. Property Acquisition Funding. If EGM has already purchased the Property as of the date of this Agreement, the City will provide the acquisition funding by reimbursement as set forth in II.B.1 below. If EGM has not already purchased the Property as of the date of this Agreement, the City will provide the acquisition funding by making a Loan deposit into the escrow account used for the closing of the sale of the Property to EGM as set forth in II.B.2 below.

1. Acquisition Funding by Reimbursement.

- a. To receive reimbursement of acquisition costs for the Property, EGM must first submit to the County and City in writing the amount requested and backup documentation. The EGM request must also be accompanied by documentation regarding the total funding that EGM has committed for acquisition, improvement, and operation of the Property and Project. EGM must also submit the Invoice in the form of Attachment 3 to the City-County ILA.
- b. If the Property is subject to any deed of trust or other lender lien, then EGM must also submit to the County and City the form of subordination agreement that such lender(s) will execute to subordinate lender interest(s) to the Loan, Deed of Trust, and Restriction Covenant.
- c. Acquisition reimbursement will not be delivered to EGM unless the County and City, after review of EGM's submittals, both determine in writing to approve EGM's acquisition reimbursement request. These approvals are at the sole discretion of the County and City.
- d. The City may terminate this Agreement if EGM has not purchased the Property by December 31, 2024, unless the City's Director of Community Development determines in writing to extend that date.
- e. Unless the City's Director of Community Development determines otherwise in writing, acquisition reimbursement will not be delivered to EGM unless the City receives a copy of an appraisal showing that the

Property has an appraised value of at least the amount that EGM requests for acquisition reimbursement.

- f. Acquisition reimbursement will be delivered to EGM contemporaneously with the recording of the fully executed Deed of Trust, the Restrictive Covenant, and subordination/priority agreements (if any) against the Property. All fees associated with recording documents are the responsibility of EGM.
- g. Unless otherwise determined by the City, acquisition reimbursement will not be delivered to EGM unless a title company acceptable to City is irrevocably committed to issue a lender's title insurance policy in the amount of the reimbursement requested, with policy form and exceptions acceptable to the City in its sole discretion.

2. Acquisition Funding by Escrow Deposit.

- a. To receive acquisition funding by the City depositing funds into the escrow account for EGM's purchase of the Property (the "**Loan Escrow Deposit**"), EGM must first submit to the County and City in writing the amount requested and backup documentation. The EGM request must also be accompanied by documentation regarding the total funding that EGM has committed for acquisition, improvement, and operation of the Property and Project. EGM must also submit the Invoice in the form of Attachment 3 to the City-County ILA.
- b. The Loan Escrow Deposit will not be made unless the County and City, after review of EGM's submittals, both determine in writing to approve EGM's acquisition funding request. These approvals are at the sole discretion of the County and City.
- c. The City will not make the Loan Escrow Deposit after December 31, 2024, and the City may terminate this Agreement if the Closing does not occur by December 31, 2024, unless the City's Director of Community Development determines in writing to extend those dates.
- d. Unless the City determines otherwise in writing, the Loan Escrow Deposit will not be made unless the City receives a copy of an appraisal showing that the Property has an appraised value of at least the amount of the Loan Escrow Deposit.
- e. The escrow agent and title company must be reasonably acceptable to the City.
- f. The amount of the Loan Escrow Deposit will not exceed the amount required under escrow agent's closing statement(s) to be deposited by buyer into escrow to close the sale transaction.
- g. The City will not disburse any portion of the Loan before closing. For example, the City will not disburse any portion of the Loan for use as earnest money.
- h. Unless otherwise determined by the City and County, the City will, through its escrow instructions, not allow Loan Escrow Deposit funds

to be paid to the Property's seller at closing unless the title company is irrevocably committed at closing to issue a lender's title insurance policy in the amount of the Property's purchase price, with policy form and exceptions acceptable to the City in its sole discretion.

- i. Unless the County and City have approved a priority/subordination agreement and such agreement is recorded at Closing, the City will, through its escrow instructions, require that the following documents be recorded in the following order at Closing without any intervening recorded document: (i) deed, (ii) Restrictive Covenant, and (iii) Deed of Trust. All fees associated with recording documents are the responsibility of EGM.

C. Funding of Allowable Project Costs.

To the extent that Loan funds remain after acquisition funding, those remaining Loan funds will be disbursed to EGM to reimburse Allowable Project Costs as follows:

1. **"Allowable Project Costs"** are costs approved by the City and County necessary to prepare the Property for the Project, subject to the following limitations and clarifications:
 - a. Unless pre-approved by both County and City in writing, Allowable Project Costs do not include any costs for construction, alteration, enlargement, improvement, repair, or demolition.
 - b. Examples of Allowable Project Costs include design costs, permitting costs, bed purchase costs, and furniture purchase costs as necessary for the Project. However, costs are only allowable to the extent directly attributable to preparation of the Property for the Project. For example, if EGM's design costs include costs for design of improvements/buildings on the Property that include more than what is necessary for the Project, reimbursement under this Agreement will be limited to those design costs necessary for the Project.
2. EGM will submit requests for reimbursement to the City, which the City will provide to the County. Reimbursement requested by EGM will not be paid to EGM unless both City and County approve the EGM reimbursement request.
3. Loan funds for Allowable Project Costs will not be disbursed to EGM until after EGM owns the Property.
4. Unless determined otherwise by the County and City, Loan funds for Allowable Project Costs will be disbursed solely on a reimbursement basis.
5. Loan funds may reimburse costs for Allowable Project Costs incurred between June 1, 2024 and the date EGM takes ownership of the Property, but reimbursement will not be paid until after such ownership date.
6. Reimbursement requests must be submitted by EGM as required by the City. EGM must submit the Invoice in the form of Attachment 3 to the City-County ILA. The City may require EGM to use the City Amplifund system.

7. All reimbursement requests must be received by the City no later than January 8, 2027, unless the City's Director of Community Development extends this date in writing.
8. All interest, if any, accrued through City investment on Loan funds will be remitted to the County.

D. Remaining Loan Funds.

To the extent that Loan funds remain after fund of Allowable Project Costs, EGM may use Loan funds provided only for Project uses and under such terms that the City and County may pre-approve in writing. Reimbursement requested by EGM for pre-approved costs will not be paid to EGM unless both City and County approve the EGM reimbursement request.

III. TERM OF AGREEMENT

Unless otherwise terminated in accordance with the Agreement, the term of this Agreement begins on the Effective Date and terminates on the date that the Loan is either forgiven or repaid in full in accordance with the Loan Documents. Termination of this Agreement does not affect the Restrictive Covenant, which will remain in effect until December 31, 2051.

IV. PRIORITY OF LOAN DOCUMENTS

EGM covenants that, unless otherwise agreed by the City in writing in a subordination or priority agreement or other written instrument approved by the County and signed by EGM and the City's Mayor, there will be no lender or person or party with an interest in the Property recorded prior to the City's Restrictive Covenant and Deed of Trust.

EGM shall cause any subsequent mortgagee or lien holder to be approved in writing by the City and shall require such mortgagee or lien holder to agree, unless otherwise determined by the County and City, by separate written agreement with the City to subordinate the lien of its security instruments, if any, to the City's Restrictive Covenant and Deed of Trust.

If there exists any lender or person or party with an interest in the Property recorded prior to the date of recording of the Restrictive Covenant and Deed of Trust, EGM shall, unless otherwise approved by the County and agreed by the City in a subordination or priority agreement or other written instrument signed by EGM and the City's Mayor, require such lender to subordinate the lien of its security instruments, if any, to the City's Restrictive Covenant and Deed of Trust.

If EGM requests that the lien of a subsequent or prior lender to EGM be prior and superior to the lien of the City and if the City and County agrees to that request at their sole discretion, the documents effecting such subordination of the City's mortgage and lien rights shall, prior to their execution, be subject to review and approval by the City Attorney. EGM acknowledges that the City does not ordinarily consider loan subordination to lenders with loan amounts less than the City's loan. In addition, the City will not subordinate the Restrictive Covenant.

V. BREACH BY EGM; REMEDIES

In the event of a breach of any of the provisions of this Agreement or any other Loan Document by EGM, the City may give written notice thereof to EGM at the address provided on the signature pages of this Agreement. Except for non-payment of the Note when due

and payable (in which case default shall be determined in accordance with the provisions of the Note), if such violation is not corrected to the satisfaction of the City within thirty (30) days after the date such notice is mailed (or within such shorter or longer time as the City, in its sole discretion, may determine), the City may, without further prior notice, declare in writing a default under this Agreement, declare the Loan principal and interest accrued immediately due and payable pursuant to the terms of this Agreement and the other Loan Documents, and seek any other remedy under applicable law.

The City also may, if it deems it appropriate, apply to any court, State or Federal, for remedy for breach of contract; for specific performance of this Agreement or any Loan Document; for an injunction against any violation by EGM of this Agreement or any Loan Document; for the appointment of a receiver to take over and operate the Project in accordance with the terms of this Agreement and the Loan Documents; or for such other and further relief as may be appropriate, it being agreed by EGM that the injury to the City arising from a default under and of the terms of this Agreement or the Loan Documents would be irreparable and that it would be extremely difficult to ascertain the amount of compensation to the City which would afford adequate relief, in light of the City's purposes and policies.

VI. HOLD HARMLESS AND INDEMNIFICATION

To the extent of EGM's (or EGM's employees, agents, representatives or subcontractors/subconsultants) negligence, breach of this Agreement, violation of law, or willful misconduct, and except as otherwise provided in this Section, EGM hereby agrees to defend and indemnify and save harmless the City and the County from any and all Claims arising from or relating to this Agreement or the Project or the Project Property, whether such Claims sound in contract, tort, or any other legal theory. EGM is obligated to defend and indemnify and save harmless the City and the County pursuant to this Section whether a Claim is asserted directly against the City or County, or whether it is asserted indirectly against the City or County, e.g., a Claim is asserted against someone else who then seeks contribution or indemnity from the City or County. EGM's duty to defend and indemnify and save harmless pursuant to this Section is not in any way limited to, or by the extent of, insurance obtained by, obtainable by, or required of EGM. EGM's obligations under this Section shall not apply to Claims caused by the sole negligence of the City or County. If (1) RCW 4.24.115 applies to a particular Claim, and (2) such Claim is caused by or results from the concurrent negligence of (a) EGM, its employees, subcontractors/subconsultants or agents and (b) the City or County, then EGM's liability under this Section shall be only to the extent of EGM's negligence. Solely and expressly for the purpose of its duties to indemnify and defend and save harmless the City and the County, EGM specifically waives any immunity it may have under the State Industrial Insurance Law, Title 51 RCW. EGM recognizes that this waiver of immunity under Title 51 RCW was specifically entered into pursuant to the provisions of RCW 4.24.115 and was the subject of mutual negotiation. As used in this Section: (1) "City" includes the City, the City's officers, employees, agents, and representatives, (2) "County" includes the County, the County's officers, employees, agents, and representatives, and (3) "Claims" include, but is not limited to, any and all losses, penalties, fines, claims, demands, expenses (including, but not limited to, attorney's fees and litigation expenses), suits, judgments, or damages, irrespective of the type of relief sought or demanded, such as money or injunctive relief, and irrespective of whether the damage alleged is bodily injury, damage to property, economic loss, general damages,

special damages, or punitive damages or infringement or misappropriation of any patent, copyright, trade secret, or other proprietary right. If, and to the extent, EGM employs or engages subconsultants or subcontractors, then EGM shall ensure that each such subconsultant and subcontractor (and subsequent tiers of subconsultants and subcontractors) shall expressly agree to defend and indemnify and save harmless the City and County to the extent and on the same terms and conditions as EGM pursuant to this Section. The provisions of this Section shall survive the expiration or termination of this Agreement.

VII. INSURANCE

- A. EGM shall comply with the following conditions and procure and keep in force from the Closing until the Restrictive Covenant End Date, at EGM's own cost and expense, the policies of insurance as set forth hereunder with companies authorized to do business in the State of Washington, which are rated at least "A-" or better and with a numerical rating of no less than seven (7), by A.M. Best Company and which are acceptable to the City.
1. Workers' Compensation Insurance as required by Washington law and Employer's Liability Insurance with limits not less than \$1,000,000 per occurrence. If the City authorizes sublet work, EGM shall require each subcontractor to provide Workers' Compensation Insurance for its employees, unless EGM covers such employees.
 2. Commercial General Liability Insurance on an occurrence basis in an amount not less than \$1,000,000 per occurrence and at least \$2,000,000 in the annual aggregate, including but not limited to: premises/operations (including off-site operations), blanket contractual liability and broad form property damage.
 3. Business Automobile Liability Insurance in an amount not less than \$1,000,000 per occurrence, extending to any automobile.
 4. Property Insurance in the amount not less than the full replacement cost for all improvements on the Project Property.
- B. The above liability policies shall be primary as to the City and shall contain a provision that the policy shall not be canceled or materially changed without 30 days prior written notice to the City. No cancellation provision in any insurance policy shall be construed in derogation of the continuous duty of EGM to furnish the required insurance during the term of this Agreement.
- C. Upon written request by the City, the insurer or its agent will furnish, prior to or during any Work being performed, a copy of any policy cited above, certified to be a true and complete copy of the original.
- D. Prior to EGM performing any Work, EGM shall provide the City or the City's designee with a Certificate of Insurance acceptable to the City Attorney evidencing the required insurance. EGM shall provide the City or the City's designee with either (1) a true copy of an endorsement naming the City of Everett, its officers, employees, agents and volunteers as Additional Insureds on the Commercial General Liability Insurance policy and the Business Automobile Liability Insurance policy with respect to the operations performed and services provided under this Agreement and that such insurance shall

apply as primary insurance on behalf of such Additional Insureds or (2) a true copy of the blanket additional insured clause from the policies. Receipt by the City or the City's designee of any certificate showing less coverage than required is not a waiver of EGM's obligations to fulfill the requirements.

- E. In case of the breach of any provision of this Section, the City may, at its option and with no obligation to do so, provide and maintain at the expense of EGM, such types of insurance in the name of EGM, and with such insurers, as the City may deem proper, and may deduct the cost of providing and maintaining such insurance from any sums which may be found or become due to EGM under this Agreement or may demand EGM to promptly reimburse the City for such cost.

VII. GENERAL TERMS AND CONDITIONS

- A. Independent Contractor. This Agreement neither constitutes nor creates an employer-employee relationship. EGM must provide services under this Agreement as an independent contractor. EGM must comply with all federal and state laws and regulations applicable to independent contractors including, but not limited to, the requirements listed in this subsection. EGM agrees to indemnify and defend the City from and against any claims, valid or otherwise, made against the City because of these obligations.
1. Any and all employees of EGM, while engaged in the performance of any Work, shall be considered employees of only EGM and not employees of the City. EGM shall be solely liable for any and all claims that may or might arise under the Worker's Compensation Act on behalf of such employees or EGM, while so engaged and for any and all claims made by a third party as a consequence of any negligent act or omission on the part of EGM's employees, while so engaged on any of the Work.
 2. EGM shall comply with all applicable provisions of the Fair Labor Standards Act and other legislation affecting its employees and the rules and regulations issued thereunder insofar as applicable to its employees and shall at all times save the City free, clear and harmless from all actions, claims, demands and expenses arising out of such act, and rules and regulations that are or may be promulgated in connection therewith.
 3. EGM assumes full responsibility for the payment of all payroll taxes, use, sales, income, or other form of taxes (such as state and, city business and occupation taxes), fees, licenses, excises or payments required by any city, federal or state legislation which are now or may during the term of the Agreement be enacted as to all persons employed by EGM and as to all duties, activities and requirements by EGM in performance of the Work and EGM shall assume exclusive liability therefor, and meet all requirements thereunder pursuant to any rules or regulations that are now or may be promulgated in connection therewith.
- B. Audits/Inspections. At any time during normal business hours and as often as the City may deem necessary, EGM shall make available to the City and County for examination all of EGM's records and documents with respect to all matters covered by this Agreement and, furthermore, EGM will permit the City and County to audit, examine and make copies, excerpts or transcripts from such records, and

to make audits of all contracts, invoices, materials, payrolls, records of personnel, conditions of employment and other data relating to all matters covered by this Agreement.

- C. Compliance with Federal, State and Local Laws. EGM shall comply with and obey all federal, state and local laws, regulations, and ordinances applicable to the operation of its business and to its performance of work hereunder.
- D. Compliance with the Washington State Public Records Act. EGM acknowledges that the City is subject to the Public Records Act, chapter 42.56 RCW (the "**Act**"). All records owned, used or retained by the City are public records subject to disclosure unless exempt under the Act, whether or not such records are in the possession or control of the City or EGM. EGM shall cooperate with the City so that the City may comply with all of its obligations under the Act. Within ten (10) days after receipt of notice from the City, EGM shall deliver to the City copies of all records relating to this Agreement or relating to the Work that the City determines qualify as the City's public records under the Act. If the City receives a public records request relating to this Agreement or relating to the Work, the City shall seek to provide notice to EGM at least ten (10) days before the City releases records pursuant to such public records request, but in no event will the City have any liability to EGM for any failure of the City to provide such notice. In addition to its other indemnification and defense obligations under this Agreement, EGM shall indemnify and defend the City from and against any and all losses, penalties, fines, claims, demands, expenses (including, but not limited to, attorney's fees and litigation expenses), suits, judgments, or damage arising from or relating to any failure of EGM to comply with this Section.
- E. Equal Employment Opportunity. EGM shall not discriminate against any employee, applicant for employment, or other person on the basis of race, color, religion, sex, age, disability, marital state, or national origin or other circumstance prohibited by applicable federal, state, or local law or ordinance. EGM shall comply with and shall not violate any applicable provisions of Chapter 49.60 RCW, Title VI of the Civil Rights Act of 1964, and all applicable federal, state, or local law or ordinance regarding non-discrimination.
- F. Waiver. Any waiver by EGM or the City or the breach of any provision of this Agreement by the other party will not operate, or be construed, as a waiver of any subsequent breach by either party or prevent either party from thereafter enforcing any such provisions.
- G. Complete Agreement. This Agreement and the other Loan Documents contain the complete and integrated understanding and agreement between the parties and supersedes any understanding, agreement or negotiation whether oral or written not set forth herein.
- H. City-County ILA. The purpose of this Agreement is to implement the City-County ILA. All Loan Documents will be interpreted to be consistent with the City-County ILA. If any provision in a Loan Document is inconsistent with the City-County ILA, as it may be amended from time-to-time, EGM will execute an amendment to such Loan Document in the form provided by the City to amend the Loan Document as necessary to be consistent with the City-County ILA.

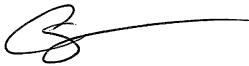
- I. Assignment. EGM may not assign this Agreement or any Loan Document without the prior written consent of the City, with may be withheld at the City's sole discretion.
- J. Modification of Agreement. This Agreement may only be modified by a writing explicitly identified as a modification or amendment of this Agreement that is signed by authorized representatives of the City and EGM.
- K. Severability. If any part of this Agreement is found to be in conflict with applicable laws, such part shall be inoperative, null and void, insofar as it is in conflict with said laws, and the remainder of the Agreement shall remain in full force and effect.
- L. Notices. Notices to the City shall be sent to the address on the signature page. Notices to EGM shall be sent to its address on the signature page.
- M. Venue. Venue for any lawsuit arising out of this Agreement shall be in the Superior Court of Snohomish County, Washington.
- N. Governing Law. The laws of the State of Washington, without giving effect to principles of conflict of laws, govern all matters arising out of or relating to this Agreement.
- O. Federal Debarment. EGM shall immediately notify the City of any suspension or debarment or other action that excludes EGM or any EGM subcontractor from participation in Federal contracting. EGM shall verify all subcontractors that are intended and/or used by EGM for performance of Work are in good standing and are not debarred, suspended or otherwise ineligible by the Federal Government. Debarment shall be verified at <https://www.epls.gov/eplsearch.do>. EGM shall keep proof of such verification within EGM records.
- P. Signature/Counterparts. This Agreement and any amendment thereto may be signed in counterparts, each of which shall be deemed an original, and all of which, taken together, shall be deemed one and the same document. AdobeSign signatures are fully binding. Any ink, electronic, faxed, scanned, photocopied, or similarly reproduced signature on this Agreement or any amendment hereto will be deemed an original signature and will be fully enforceable as an original signature.

[signatures on following page(s)]

IN WITNESS WHEREOF the parties have signed this Agreement to be effective as of the date first above written.

CITY:

CITY OF EVERETT, a Washington municipal corporation



Cassie Franklin
Mayor, City of Everett

Date 11/12/2024

Attest:



Office of City Clerk

EGM:

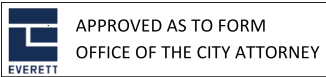
EVERETT GOSPEL MISSION, a Washington nonprofit corporation



Name John Hull

Title Executive Director

Date 11/11/2024



Notice Address:

City of Everett
Planning and Community Development
2930 Wetmore Avenue, Suite 8A
Everett, WA 98201

Notice Address:

Everett Gospel Mission
2222 52nd St.
Everett, WA 98203

EXHIBIT A
PROJECT PROPERTY LEGAL DESCRIPTION

Real property in the City of Everett, County of Snohomish, State of Washington, described as follows:

LEGAL DESCRIPTION:

PARCEL A:

THE SOUTH ONE-THIRD OF THE NORTH HALF OF BLOCK 19, J.S. SINES ACRE TRACTS, ACCORDING TO THE PLAT RECORDED IN VOLUMN 4 OF PLATS, PAGE1, RECORDS OF SNOHOMISH COUNTY, WASHINGTON, LYING WEST OF ALLEY.

Tax Parcel Numbers: 00576001900003

Situs Address: 3715 Smith Avenue, Everett, WA 98201

PARCEL B:

LOTS 9,10 AND 11, BLOCK 19, GOODSON'S ADDITION TO EVERETT, PER PLAT RECORDED IN VOLUMN 6 OF PLATS, PAGE 7, RECORDS OF SNOHOMISH COUNTY, WASHINGTON.

Tax Parcel Numbers: 00457901900900

Situs Address: 3719 Smith Avenue, Everett, WA 98201

EXHIBIT B
PROJECT

“Emergency bridge housing” or ***“EBH”*** is a type of temporary accommodation designed to help individuals or families experiencing homelessness transition to permanent housing. It serves as a “bridge” between an urgent need to house those experiencing homelessness to permanent housing. Services may be more intensive or frequent to meet the needs of those housed. Services include behavioral health services, employment services, medical care, and other services that are provided onsite or through coordinated access to offsite services. EBH is focused on navigating the complex needs and services that move people toward permanent housing placement.

EGM will cause the Project to comply with all of the following:

- i. The Project must include an emergency bridge housing facility with capacity for 65 beds of emergency bridge housing and capacity for up to an additional 60 emergency severe weather shelter beds on the Property.
- ii. The Project must serve homeless persons as defined at RCW 43.185C.010(12).
- iii. The Property must provide space for onsite health services for the individuals residing in the Property’s emergency bridge housing, with behavioral health services offered onsite to individuals.
- iv. EGM must ensure coordination with onsite behavioral health providers for the provision of services for individuals residing in the Property’s emergency bridge housing.
- v. EGM may use the Property for uses not related to emergency bridge housing or to the other services required under the Loan Agreement, so long as those other uses do not interfere with emergency bridge housing or with such other Project required services.
- vi. EGM and the Project must comply with all applicable federal, state and local laws, ordinances, and regulations in undertaking the Project and in activities funded in whole or in part with funds provided through the Agreement.
- vii. Because the Loan is provided pursuant to RCW 82.14.460 and SCC 4.25.050, EGM must ensure that the Project must include coordinated chemical dependency or mental health treatment program or services.
- viii. A management plan approved by the City must always be in place for operation of the Project.
- ix. EGM shall provide updates to the City on Project progress at least quarterly or as requested by the City.
- x. EGM shall provide at minimum an annual report to the City as determined by the City and County, once the Project is operational and more often if requested by the City.

- xi. The Project must participate in the Snohomish County Homeless Management Information system (HMIS), unless EGM requests in writing and the County approves in writing for the Project to opt out of participation in the HMIS.
- xii. EGM must make the Project, once completed and operational, available to eligible County residents on the same terms as to residents of the City, but with City residents having priority for bed placement.

EXHIBIT C
FORM OF PROMISSORY NOTE

EMERGENCY BRIDGE HOUSING
\$4,000,000

3715 and 3719 Smith Avenue
Everett, Washington

1. Promise to Pay. In consideration for the financial assistance provided by the City of Everett ("**Holder**") pursuant to the Loan Agreement entered into between Maker and Holder on the ____ day of _____, 2024 ("**Loan Agreement**"), Everett Gospel Mission, a Washington nonprofit corporation ("**Maker**"), hereby promises to pay to the order of Holder, at such place as Holder may designate in writing, in lawful money of the United States of America, the principal sum of Four Million Dollars (\$4,000,000), or such lesser principal sum that Holder actually advances to Maker, on the terms and conditions set forth herein and in the Loan Agreement (the "**Loan**").

2. Term. The Note shall be due on December 31, 2026 (the "**Maturity Date**"). If the Maturity Date is extended as provided in the Loan Documents (as defined below) then the Maturity Date hereunder is deemed so extended without further action of the parties. However, either Holder or Maker may request an amendment to this Note evidencing the extension, in which case both Holder and Maker will promptly and duly execute such an amendment. However, in no case shall the absence of such an executed extension amendment (a) invalidate the Maturity Date extension, (b) invalidate this Note or any provision of this Note, or (c) in any way release or limit the Maker's obligations or the Holder's rights hereunder or in the other Loan Documents.

3. Interest. Simple interest shall accrue on the unpaid principal balance at the rate of three percent (3%) per annum.

4. Assignment. The Maker shall not assign any of its rights, duties, or obligations under the terms of this Note without prior express written consent of the City and upon such terms and conditions to which the Maker is subject.

5. Payment of Principal and Interest; Forgivable. Principal and interest shall be due on the Maturity Date, at which time the full balance due and owing under this Note shall be paid, except that, if the Project is physically ready for Project operation by the Maturity Date as set forth in the Loan Documents (defined below), and the Maker fully complies with the provisions of this Note and the other Loan Documents, then the Holder shall forgive as set forth in the Loan Documents on such date all amounts due under this Note.

6. Prepayment. Maker shall have the right to prepay this Note in full or in part at any time and from time to time without payment of a prepayment fee or penalty.

7. Default. This Note shall be in default (1) if payment is not made when due, and such default shall continue for a period of ten (10) days after any written notice to the Maker from Holder hereof specifying such default and requiring the same to be remedied; or (2) should default be made in the observance or performance of any covenants, terms, or provisions of the Loan Agreement, Use Restriction Covenant, Deed of Trust, or any other agreement regarding the Project to which Maker and Holder are parties, if any (collectively, the "**Loan Documents**"), and such default continues after any notice from Holder hereof to Maker and the expiration of any period specifically granted to Maker for curing such default as provided for in the Loan Documents in the event of such a default. Upon such a default the whole sum of principal hereunder shall become immediately due and payable according to the terms herein. As long as this Note is in default, then, at the option

of the Holder, without prior notice, this Note shall bear interest at the rate of ten percent (10%) per annum.

(a) Curing of Monetary Default. If a monetary event of default occurs under the terms of any of the Loan Documents, before exercising any remedies thereunder, Holder shall give Maker written notice of such default. Maker shall have a period of ten (10) calendar days after such notice is given, or such longer period of time as may be specified in the Loan Documents, within which to cure the default before exercise of remedies by Holder under this Note or the Loan Documents. A default in payment of any amount due hereunder may be cured only by payment in full of such amount plus the interest accrued from the date of default, as stated above, on the unpaid principal balance as of the date of default until the date of payment resulting from application of a default rate of interest as provided herein, if any, that may be due hereunder or under any instrument relating to or securing this Note, plus any attorneys' fees incurred by the Holder by reason of such default.

(b) Curing of Nonmonetary Default. If a nonmonetary event of default occurs under the terms of any of the Loan Documents, prior to exercising any remedies thereunder, Holder shall give Maker written notice of such default. If the nonmonetary default is reasonably capable of being cured within thirty (30) calendar days, Maker shall have such period to effect a cure prior to exercise of remedies by Holder under the Loan Documents, or such longer period of time as may be specified in the Loan Documents. If the default is such that it is not reasonably capable of being cured within thirty (30) calendar days or such longer period if so specified, and if Maker, in the reasonable determination of Holder, (a) initiates corrective action within said period and (b) diligently, continually, and in good faith works to effect a cure as soon as possible, then Maker shall have such additional time as Holder determines is reasonably necessary to cure the default prior to exercise of any remedies by Holder. In no event shall Holder be precluded from exercising remedies if its security becomes or is about to become materially jeopardized by any failure to cure a default or if the default is not cured within sixty (60) calendar days after the first notice of default is given, or such longer period of time as may be specified in the Loan Documents.

8. Nonwaiver. Failure to exercise any right the Holder may have or be entitled to in the event of any default hereunder shall not constitute a waiver of such right or any other right in the event of any subsequent default.

9. Waiver of Presentment. The Maker and all guarantors and endorsers hereof hereby severally waive presentment for payment, protests, and demand, notice of protest, demand, dishonor, and nonpayment of this Note, and consent that the Holder hereof may extend the time of payment or otherwise modify the terms of payment of any part or the whole of the debt evidenced by this Note, by agreement between the Holder and Maker, and such consent shall not alter or diminish the liability of any person or the enforceability of this Note. Each and every party signing or endorsing this Note binds itself as a principal and not as a surety. This Note shall bind the undersigned and its successors and assigns, jointly and severally.

10. Security of Note. This Note is secured by a Deed of Trust (the "**Deed of Trust**") of even date herewith granted by the Maker covering a certain real property in Snohomish County, Washington, together with the buildings and improvements now or hereafter erected thereon (the "**Premises**").

11. Collection Costs. Maker agrees to pay all costs, including reasonable attorneys' fees, incurred by Holder hereof in any suit, action, or appeal therefrom, or without suit,

in connection with collection hereof, foreclosure of the Deed of Trust, or enforcement of any instrument securing payment hereof or otherwise relating to or securing this Note.

12. Maximum Interest. Neither this Note nor any instrument securing payment hereof or otherwise relating to the debt evidenced hereby shall require the payment or permit the collection of interest in excess of the maximum permitted by any applicable usury statute or any other law (the "**Maximum Rate**"). If this Note or any other such instrument does so provide, the provisions of this paragraph shall govern, and neither Maker nor any endorsers of this Note nor their respective heirs, personal representatives, successors, or assigns shall be obligated to pay the amount of interest in excess of the Maximum Rate. In such event, the interest rate in excess of the Maximum Rate shall be reduced by appropriate credits to the balance owing at maturity hereunder so that the Maximum Rate shall not be exceeded.

13. Notice. Any demand or notice to be made or given by the Holder to Maker under the terms hereof or any instrument now or hereafter relating to or securing this Note shall be effective when delivered by registered mail, return receipt requested, postage prepaid, to the Maker.

14. Governing Law. This Note shall be governed by and construed in accordance with the laws of the State of Washington and applicable Federal law.

15. Nonrecourse. Notwithstanding any other provision hereof or of any other instrument relating to or securing this Note, the Maker, its successors and assigns and their respective partners, officers, directors and employees shall not have any personal liability for the indebtedness evidenced hereby or any deficiency judgment, and upon the occurrence of a default or event of default hereunder, the Holder hereof shall look solely to the instruments by which this Note is secured and the Premises constituting the security, together with the rents, issues, and profits thereof for satisfaction of the indebtedness, and resort shall not be made to any other property of the Maker; PROVIDED, HOWEVER, that nothing herein contained shall limit or be construed to limit or impair the enforcement against said Premises of the rights and remedies of the Holder hereof, including the joinder of the Maker in any action to foreclose the liens and security interests securing this Note and PROVIDED, FURTHER, that nothing herein shall diminish Maker's liability for damages or deficiencies resulting from theft, waste, fraud, material misrepresentation or misuse of rents.

16. Loan Agreement. This Note is subject to the terms and conditions of the Loan Agreement executed between Maker and Holder regarding the Project. Disbursement of the funds evidenced by this Note is to be made subject to the terms and conditions of Loan Agreement. Capitalized terms used but not otherwise defined in this Note shall have the meanings ascribed to them in the Agreement.

17. Casualty Loss or Condemnation. In the event of any fire or other casualty to the Project or eminent domain proceedings resulting in condemnation of the Project or any part thereof, Maker shall have the right to rebuild the Project, and to use all available insurance or condemnation proceeds to which Maker is entitled therefor, PROVIDED that (a) such proceeds are sufficient to keep the Loan in balance and rebuild or cause the rebuilding of the Project in a manner that provides adequate security to Holder for repayment of the Loan, or, if such proceeds are insufficient, then Maker shall have funded any deficiency; (b) Holder shall have the right to approve plans and specifications for any major rebuilding and the right to approve disbursements of insurance or condemnation proceeds to which Maker is entitled for rebuilding under a construction escrow or similar arrangement; and (c) no material default then exists under the Loan Documents.

If the casualty or condemnation affects only part of the Project and total rebuilding is infeasible, then proceeds to which Maker is entitled may be used for partial rebuilding and partial repayment of the Loan in a manner that provides adequate security to Holder for repayment of the remaining balance of the Loan.

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

MAKER:

EVERETT GOSPEL MISSION, a Washington non profit corporation

By: _____

Its: _____

Date: _____

EXHIBIT D
FORM OF DEED OF TRUST

[appropriate cover page, signature blocks, acknowledgement(s), legal descriptions, and form of reconveyance to be inserted at time of execution]

THIS DEED OF TRUST, made this ____ day of _____, 2024, is by and among EVERETT GOSPEL MISSION, a Washington nonprofit corporation ("**GRANTOR**"), whose address is _____; _____ ("**TRUSTEE**"), whose address is _____; and the CITY OF EVERETT, a municipal corporation of the State of Washington, whose address is 2930 Wetmore Avenue, Suite 8B, Everett, WA 98201 ("**BENEFICIARY**" or the "**City**"). This Deed of Trust secures the performance by Grantor of the Loan Agreement between the Grantor and City dated _____, 2024 (the "**Loan Agreement**").

WITNESSETH: Grantor hereby bargains, sells and conveys to Trustee in Trust, with power of sale, the real properties in Snohomish County, Washington described in Exhibit 1 attached hereto and incorporated herein by this reference (the "**Premises**"), which real properties are not used principally for agricultural or farming purposes, together with all the tenements, hereditaments, and appurtenances now or hereafter thereunto belonging or in any wise appertaining, and the rents, issues and profits thereof (the "**Property**").

This Deed of Trust is for the purposes of securing performance of each agreement of Grantor contained herein and in the Agreement and payment by Grantor of the sum of four million (\$4,000,000), or such lesser principal sum that Beneficiary actually advances to Grantor, in accordance with the terms of a promissory note of even date herewith (the "**Note**"), payable to City or order, made by Grantor, and all renewals, modifications and extensions thereof, and also such further sums as may be advanced or loaned by the City to Grantor, or any of their successors or assigns, together with interest thereon at such rate as shall be agreed upon.

To protect the security of this Deed of Trust, Grantor covenants and agrees:

1. Subject to the contemplated demolition of the existing improvements on the Property as of the date of this Deed of Trust and the construction of new improvements on the Property, to keep the Premises in good condition and repair; not to remove or demolish any building thereon; to complete or restore promptly and in good and workmanlike manner any building that may be constructed, damaged, or destroyed, and to pay when due all claims for labor performed and materials furnished therefor; to comply with all laws affecting the Premises or requiring any alterations or improvements to be made; not to commit or permit waste thereof; not to commit, suffer, or permit any act upon the Premises in violation of law; and to do all other acts which from the character or use of the Premises may be reasonably necessary to preserve and conserve its value.

2. To pay before delinquent all taxes, assessments and any other charges affecting the Property when due, subject to the Grantor's right to contest such taxes, assessments and other charges in good faith; and, except for encumbrances, charges, and liens of record as of the date of this Deed of Trust, to keep the Property free and clear of all other encumbrances.

3. To keep all buildings now or hereafter erected on the Property described herein continuously insured against loss by fire or other hazards in an amount not less than the total replacement value. The

Beneficiary will require Grantor to acquire title insurance for the sum of Grantor's purchase price of the Property. All policies shall be held by the City, and be in such companies as the City may approve and have loss payable first to the City, as its interest may appear, and then to the Grantor. Except as otherwise set forth in the Agreement or the Note, the amount collected under any insurance policy may be applied to any indebtedness hereby secured in such order as the Beneficiary shall determine. Such application by the Beneficiary shall not cause discontinuance of any proceedings to foreclose this Deed of Trust. In the event of foreclosure, all rights of the Grantor in insurance policies then in force shall pass to the purchaser at the foreclosure sale.

4. To defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee, and to pay all costs and expenses, including the cost of title search and attorneys' fees in a reasonable amount, in any such action or proceeding, and in any suit brought by the Beneficiary to foreclose this Deed of Trust.

5. To pay all costs, fees and expenses in connection with this Deed of Trust, including the expenses of the Trustee incurred in enforcing the obligations secured hereby and Trustee's and attorneys' fees actually incurred, as provided by statute.

6. Should Grantor fail to pay when due any taxes, assessments, insurance premiums, liens, encumbrances or other charges against the Property hereinabove described, Beneficiary may pay the same, and the amount so paid, with interest at the rate set forth in the Note secured hereby, shall be added to and become a part of the debt secured in this Deed of Trust.

IT IS MUTUALLY AGREED THAT:

1. Except as otherwise set forth in the Loan Agreement or the Note, in the event any portion of the Property is taken or damaged in an eminent domain proceeding, the entire amount of the award or such portion as may be necessary to fully satisfy the obligation secured hereby, shall be paid to Beneficiary to be applied to said obligation.

2. By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive its right to require prompt payment when due of all other sums so secured or to declare default for failure to so pay.

3. The Trustee shall reconvey all or any part of the Property covered by this Deed of Trust to the person entitled thereto on written request of the Grantor and the Beneficiary, or upon satisfaction of the obligation secured and written request for reconveyance made by the Beneficiary or the person entitled thereto.

4. Upon default by Grantor in the payment of any indebtedness secured hereby or in the performance of any agreement contained herein, after any applicable cure period has expired without the correction of the default, all sums secured hereby shall immediately become due and payable in accordance with the Loan Documents (at the option of the City). In such event and upon written request of Beneficiary, Trustee shall sell the trust Property, in accordance with the Deed of Trust Act of the State of Washington, at public auction to the highest bidder. Any person except Trustee may bid at Trustee's sale. Trustee shall apply the proceeds of the sale as follows: (1) to the expense of the sale, including a reasonable Trustee's fee and attorneys' fee; (2) to the obligation secured by this Deed of Trust; and (3) the surplus, if any, shall be distributed to the persons entitled thereto.

5. Trustee shall deliver to the purchaser at the sale its deed, without warranty, which shall convey to the purchaser the interest in the Property which Grantor had or had the power to convey at the time of its execution of this Deed of Trust, and such as it may have acquired thereafter. Trustee's deed shall recite the facts showing that the sale was conducted in compliance with all the requirements of law and of this Deed of Trust, which recital shall be prima facie evidence of such compliance and conclusive evidence thereof in favor of bona fide purchasers and encumbrancers for value.

6. The power of sale conferred by this Deed of Trust and by the Deed of Trust Act of the State of Washington is not an exclusive remedy; Beneficiary may cause this Deed of Trust to be foreclosed as a mortgage.

7. In the event of the death, incapacity, disability or resignation of Trustee, Beneficiary may appoint in writing a successor trustee, and upon the recording of such appointment in the mortgage records of the county in which this Deed of Trust is recorded, the successor trustee shall be vested with all powers of the original trustee. The Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Grantor, Trustee or Beneficiary shall be a party unless such action or proceeding is brought by the Trustee.

8. This Deed of Trust applies to and inures to the benefit of, and is binding not only on the parties hereto, but on their heirs, devisees, legatees, administrators, executors and assigns. The term Beneficiary shall also mean the holder and owner of the Note secured hereby, whether or not named as Beneficiary herein.

GRANTOR FURTHER AGREES:

1. Grantor will perform each and every obligation contained in the Agreement and any amendments thereof.

2. Grantor will ensure that the Property will be used pursuant to the terms of the Use Restriction Covenant entered into between the Grantor and the Beneficiary without regard to the term of any other deed of trust or the transfer of ownership of the Property. Grantor agrees that the Use Restriction Covenant does not terminate upon foreclosure of this Deed of Trust or transfer in lieu of foreclosure, and the Property will remain subject to the Use Restriction Covenant after foreclosure of this Deed of Trust or transfer in lieu of foreclosure.

3. If Grantor shall fail to perform any obligation hereunder and the Beneficiary elects to perform the same and expends any money therefor, such expenditure shall be deemed in addition to the amount secured by this Deed of Trust and be immediately due and payable in accordance with the loan documents.

4. If Grantor fails to make payment on the sum secured hereunder when due, or defaults under the terms of the foregoing agreement or any Loan Document, and after any applicable cure period has expired without the correction of the default, at the option of the Beneficiary, the whole indebtedness secured thereby shall be due and payable in accordance with the Loan Documents and the Beneficiary may proceed to foreclose this Deed of Trust. If the Beneficiary shall incur any costs and expenses, including reasonable attorneys' fees and costs of any title reports, in connection with the performance of

any of its rights hereunder including foreclosure, such costs and expenditures shall remain secured by this Deed of Trust and shall be immediately due and payable by Grantor.

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EXHIBIT E
FORM OF USE RESTRICTION COVENANT

[appropriate cover page to be inserted at time of execution]

This Use Restriction Covenant (this "**Covenant**") by EVERETT GOSPEL MISSION, a Washington nonprofit corporation (the "**Grantor**" or "**Owner**"), is part of the consideration for the financial assistance provided by City of Everett (the "**Grantee**" or "**City**") pursuant to the Loan Agreement ("**Loan Agreement**") entered into by and between the City and Owner, for the acquisition and development of certain real property legally described on Attachment 1 attached hereto, together with all tenements, privileges, reversions, remainders, irrigation and water rights, and stock, oil and gas rights, royalties, minerals and mineral rights, hereditaments and appurtenances belonging or in any way pertaining to the Property, and the rents, issues, and profits thereof ("the "**Property**"). The financial assistance provided in the Agreement is from the chemical dependency/mental health program fund (CDMH) of Snohomish County, a political subdivision of the State of Washington (the "**County**"), pursuant to RCW 82.14.460 and chapter 4.25 SCC. The financial assistance is for the "**Project**," which is an EGM emergency bridge housing facility at the Property to provide short term dwelling for homeless persons, along with coordination and access to substance use and mental health treatment and services, as further described in Attachment 2 attached hereto.

This Covenant will be filed and recorded in the official public land records of Snohomish County, Washington, and shall constitute a restriction upon the use of the Property described herein, subject to and in accordance with the terms of this Covenant.

The covenants contained herein are to be taken and construed as covenants running with the land and shall pass to and be binding upon the Grantor, its successors and assigns, heirs, grantees, and lessees of the Property, beginning on the date of recording of this Covenant. Each and every contract, deed, or other instrument covering or conveying Grantor's interest in the Property, or any portion thereof, shall be conclusively held to have been executed, delivered, and accepted subject to such covenants, regardless of whether such covenants are set forth in such contract, deed, or other instrument.

NOW, THEREFORE, it is hereby covenanted as follows:

1. From the date of the recording of this Covenant and continuing until December 31, 2051, the Grantor shall operate the Property as emergency bridge housing in accordance with Attachment 2 attached hereto. Failure to operate the Property as emergency bridge housing in accordance with Attachment 2 is a breach of this Covenant.
2. Grantor will make annual certifications to the City (or County, if the County so requests) in such form and on such date as the City or County may require, and with such accompanying documentation as the City or County may require, that it is in compliance with this Covenant.
3. Grantor hereby irrevocably grants an easement in gross to the City and the County and their agents and employees, for the duration of this Covenant, to enter the Property at any time on reasonable notice to inspect the condition of the Property, to verify other matters relevant to this Covenant or to this Agreement, or to inspect and copy any documents maintained by Grantor or its agents relevant to this Covenant.

4. If a violation of one or more of the foregoing covenants occurs, and such occurrence remains uncorrected for a period of thirty (30) days or more after Grantor's receipt of written notice of such violation from the City or County, the City or County may institute and prosecute any proceedings at law or in equity to abate, prevent, or enjoin any such violation, to compel specific performance of this Covenant, and/or to recover monetary damages, restitution, and costs and attorneys' fees incurred in enforcing this Covenant. No delay in enforcing the provisions hereof as to any violation shall impair, damage, or waive the right of the City or the County to obtain relief against or recovery for the continuation or repetition of such violation or any similar violation at any later time.
5. Nothing in this Covenant shall be construed to impose on the City or County any obligation or liability not expressly provided herein. This Covenant is not intended to create any duty on the part of the City or County to any tenant or occupant of the Property, nor to confer on any tenant or occupant of the Property or any other person any right or claim against the City or County, or their agents or employees, in the event of any action or failure to act by the City or County.
6. The County shall be a third-party beneficiary of this Covenant.

[THE REMAINDER OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY.]

[appropriate signature blocks and acknowledgement(s) to be inserted at time of execution of Use
Restriction Covenant]

Attachment 1 to Use Restriction Covenant
Legal Description of Property

Real property in the City of Everett, County of Snohomish, State of Washington, described as follows:

LEGAL DESCRIPTION:

PARCEL A:

THE SOUTH ONE-THIRD OF THE NORTH HALF OF BLOCK 19, J.S. SINES ACRE TRACTS, ACCORDING TO THE PLAT RECORDED IN VOLUMN 4 OF PLATS, PAGE1, RECORDS OF SNOHOMISH COUNTY, WASHINGTON, LYING WEST OF ALLEY.

Tax Parcel Numbers: 00576001900003

Situs Address: 3715 Smith Avenue, Everett, WA 98201

PARCEL B:

LOTS 9,10 AND 11, BLOCK 19, GOODSON'S ADDITION TO EVERETT, PER PLAT RECORDED IN VOLUMN 6 OF PLATS, PAGE 7, RECORDS OF SNOHOMISH COUNTY, WASHINGTON.

Tax Parcel Numbers: 00457901900900

Situs Address: 3719 Smith Avenue, Everett, WA 98201

Attachment 2 to Use Restriction Covenant

“Emergency bridge housing” or “EBH” is a type of temporary accommodation designed to help individuals or families experiencing homelessness transition to permanent housing. It serves as a “bridge” between an urgent need to house those experiencing homelessness to permanent housing. Services may be more intensive or frequent to meet the needs of those housed. Services include behavioral health services, employment services, medical care, and other services that are provided onsite or through coordinated access to offsite services. EBH is focused on navigating the complex needs and services that move people toward permanent housing placement.

Grantor will cause the Property and the Project thereon to comply with all of the following:

- i. The Project must include an emergency bridge housing facility with capacity for 65 beds of emergency bridge housing and capacity for up to an additional 60 emergency severe weather shelter beds on the Property.
- ii. The emergency bridge housing on the Property must serve homeless persons as defined at RCW 43.185C.010(12).
- iii. The Property must provide space for onsite health services for the individuals residing in the Property’s emergency bridge housing, with behavioral health services offered onsite to individuals.
- iv. Grantor must coordinate with onsite behavioral health providers for the provision of services for individuals residing in the Property’s emergency bridge housing.
- v. Grantor may use the Property for uses not related to emergency bridge housing or to the other Project services required under the Loan Agreement or hereunder, so long as those other uses do not interfere with emergency bridge housing or with such other required Project services.
- vi. Grantor and the Project must comply with all applicable federal, state and local laws, ordinances, and regulations in undertaking the Project and in activities funded in whole or in part with funds provided through the Loan Agreement.
- vii. Because the Loan is provided pursuant to RCW 82.14.460 and SCC 4.25.050, the Project must include coordinated chemical dependency or mental health treatment program or services.
- viii. A management plan approved by the City must always be in place for operation of the Project.
- ix. Grantor shall provide updates to the City on Project progress at least quarterly or as requested by the City.
- x. Grantor shall provide at minimum an annual report to the City as determined by the City and County, once the Project is operational and more often if requested by the City.

- xi. The Project must participate in the Snohomish County Homeless Management Information system (HMIS), unless Grantor requests in writing and the County approves in writing for the Project to opt out of participation in the HMIS.
- xii. Grantor must make the Project, once completed and operational, available to eligible County residents on the same terms as to residents of the City, but with City residents having priority for bed placement.











EGM ILA Loan Agreement_SD_10.31.24


Final Audit Report


2024-11-12


Created:	2024-11-07
By:	Marista Jorve (mjorve@everettwa.gov)
Status:	Signed
Transaction ID:	CBJCHBCAABAAEggYjg6TlcYJYrFsGEdg-i9xLB0Q7H-O


"EGM ILA Loan Agreement_SD_10.31.24" History


-  Document created by Marista Jorve (mjorve@everettwa.gov)
2024-11-07 - 10:21:44 PM GMT
-  Document emailed to Kembra Landry (KLandry@everettwa.gov) for approval
2024-11-07 - 10:22:30 PM GMT
-  Email viewed by Kembra Landry (KLandry@everettwa.gov)
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-  Document approved by Kembra Landry (KLandry@everettwa.gov)
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-  Document emailed to John Hull (jhull@egmission.org) for signature
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Signature Date: 2024-11-12 - 3:37:26 PM GMT - Time Source: server

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2024-11-12 - 4:21:20 PM GMT

 Document e-signed by Marista Jorve (mjorve@everettwa.gov)
Signature Date: 2024-11-12 - 4:21:48 PM GMT - Time Source: server

 Agreement completed.
2024-11-12 - 4:21:48 PM GMT