

When Recorded, Return to:
CITY OF EVERETT
COMMUNITY DEVELOPMENT MANAGER
2930 Wetmore Ave., Suite 8A
Everett, WA 98201

CTI-NCS-243745-SC

USE RESTRICTION COVENANT

Grantor:	EVERETT GOSPEL MISSION,
Grantee:	CITY OF EVERETT
Legal Description (Additional on Exhibit 1)	Ptn Block 19, J.S. Sines Acre Tracts, Vol 4, Page 11; Ptn Lots 9-11, Blk 19, Goodson's Add to Everett, Vol 6, Page 7 in Snohomish County, WA
Assessor's Tax Parcel ID No(s):	005760-019-000-03; 004579-019-009-00
Reference Nos. of Documents Released or Assigned:	N/A

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 Exhibit 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 Exhibit 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 Exhibit 2 attached hereto. Failure to operate the Property as emergency bridge housing in accordance with Exhibit 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.

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EXECUTED as of the day and year first above written.

GRANTOR:

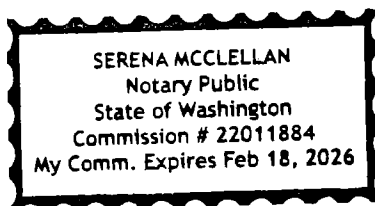
EVERETT GOSPEL MISSION,
a Washington nonprofit corporation

By John Hull
Name: John Hull
Title: CEO

STATE OF WASHINGTON }
COUNTY OF SNOHOMISH } ss.

On this day personally appeared before me
John Hull, to me known to be the CEO of
EVERETT GOSPEL MISSION, the Washington nonprofit corporation that executed the
foregoing instrument, and acknowledged such instrument to be the free and voluntary
act and deed of such corporation, for the uses and purposes therein mentioned, and
on oath stated that (he) [he/she] was duly authorized to execute such instrument.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this 27 day of November
2024.



Serena McClellan
Printed Name Serena McClellan
NOTARY PUBLIC in and for the State of Washington, residing
at Bothell, WA
My Commission Expires 02-18-2026

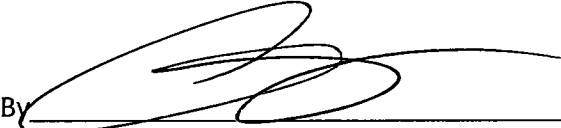
Office of the City Attorney
APPROVED AS TO FORM
David C. Hall, City Attorney

GRANTEE:

CITY OF EVERETT,
a Washington municipal corporation

ATTEST:


City Clerk

By 
Name: Cassie Franklin
Title: Mayor

STATE OF WASHINGTON

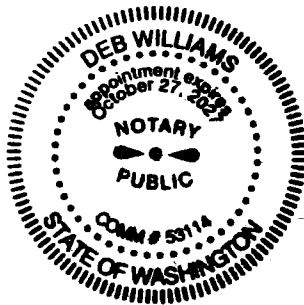
COUNTY OF SNOHOMISH

}

ss.

On this day personally appeared before me Cassie Franklin, to me known to be the Mayor of the CITY OF EVERETT, the Washington municipal corporation that executed the foregoing instrument, and acknowledged such instrument to be the free and voluntary act and deed of such corporation, for the uses and purposes therein mentioned, and on oath stated that she was duly authorized to execute such instrument.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this 25th day of November, 2024.



Deb Williams
Printed Name Deb Williams
NOTARY PUBLIC in and for the State of Washington, residing
at Everett Wa
My Commission Expires 10.27.27

EXHIBIT 1

LEGAL DESCRIPTION

Parcel A:

The South 1/3 of the North half of Block 19, J.S. Sines Acre Tracts, according to the plat thereof recorded in Volume 4, of Plats, Page 11, records of Snohomish County Auditor, Washington, lying West of alley.

Parcel B:

Lots 9, 10, and 11, Block 19, Goodson's Addition to Everett, according to the plat thereof recorded in Volume 6, of Plats, Page 7, records of Snohomish County Auditor, Washington.

Situate in Snohomish County, Washington

Tax Parcel Number(s): 005760-019-000-03, 004579-019-009-00

EXHIBIT 2

PROJECT DESCRIPTION

“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.

When Recorded, Return to:
CITY OF EVERETT
COMMUNITY DEVELOPMENT MANAGER
2930 Wetmore Ave., Suite 8A
Everett, WA 98201

CTI-NCS-243745-SC

DEED OF TRUST

Grantor:	EVERETT GOSPEL MISSION,
Grantee:	CITY OF EVERETT
Legal Description:	Ptn Block 19, J.S. Sines Acre Tracts, Vol 4, Page 11; Ptn Lots 9-11, Blk 19, Goodson's Add to Everett, Vol 6, Page 7 in Snohomish County, WA
Assessor's Tax Parcel ID No(s):	005760-019-000-03; 004579-019-009-00
Reference Nos. of Documents Released or Assigned:	N/A

THIS DEED OF TRUST, made this 27th day of November, 2024, is by and among EVERETT GOSPEL MISSION, a Washington nonprofit corporation ("**Grantor**"), whose address is 2222 52nd Street, Everett WA 98203; CHICAGO TITLE INSURANCE COMPANY ("**Trustee**"), whose address is 701 Fifth Avenue, Suite 2700, Seattle, WA 98104; 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 November 7, 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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EXECUTED as of the day and year first above written.

GRANTOR:

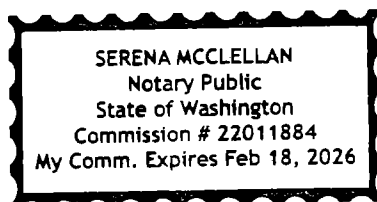
EVERETT GOSPEL MISSION,
a Washington non-profit corporation

By John Hull
Name: John Hull
Title: CEO

STATE OF WASHINGTON }
COUNTY OF SNOHOMISH } ss.

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John Hull, to me known to be the CEO of
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2024.



Serena McClellan
Printed Name Serena McClellan
NOTARY PUBLIC in and for the State of Washington, residing
at Bothell, WA
My Commission Expires 02-18-2026

EXHIBIT 1

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