

**When Recorded Return To:**

Washington State Department of Commerce  
**Multifamily Housing Unit**  
1011 Plum Street SE  
Post Office Box 42525  
Olympia, Washington 98504-2525

CHICAGO TITLE  
620056337

**Attention: MHU Contracts/Fiscal - HTF**

---

**DEED OF TRUST**

Grantor (Borrower): Northwest Youth Services  
Beneficiary (Lender): Washington State Department of Commerce  
Grantee (Trustee): Chicago Title Company of Washington  
Legal Description (abbreviated): Ptn. Gov. Lot 9, Section 19, Township 34 North, Range 4 East  
Assessor's Tax Parcel ID#: P26595/340419-0-244-0001  
Contract Number: 22RC-94120-018

**THIS DEED OF TRUST** is made this 15<sup>th</sup> day of July, 2024 between Northwest Youth Services, a Washington nonprofit corporation, whose mailing address is 1020 N. State St., Bellingham, Washington 98225 as Grantor ("Grantor"); Chicago Title Company of Washington, whose mailing address is 3002 Colby Ave., Suite 200, Everett, Washington 98201 as Trustee ("Trustee"); and the Washington State Department of Commerce, or its successor agency, as Beneficiary ("Beneficiary"), whose location and mailing addresses are 1011 Plum Street SE, P.O. Box 42525, Olympia, Washington 98504-2525.

1. Grant. Grantor hereby bargains, sells and conveys to Trustee in Trust for the benefit of Beneficiary, with power of sale the real property located in Skagit County, Washington described as:

**That portion of Government Lot 9 in Section 19, Township 34 North, Range 4 East W.M., described as follows:**

**Beginning at a point 1,395 feet North and 30 feet West of the Quarter corner between Sections 19 and 20, in Township 34 North, Range 4 East, W.M.; Thence West 118.32 feet; Thence North 60 feet; Thence East 118.32 feet; Thence South 60 feet to the point of beginning. Situated in Skagit County, Washington.**

(the "Property"),

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. Said Property is not used principally for agricultural or farming purposes.

2. Obligations Secured. This Deed of Trust is given for the purpose of securing the following:

- (a) Payment in the amount of Seven Hundred Seventy-Four Thousand Five Hundred and 00/100 Dollars (\$774,500.00) with interest thereon according to the terms of a Promissory Note (the "Note") dated July 13, 2024 payable by the Northwest Youth Services to the Beneficiary, including all renewals, modifications and extensions thereof,
- (b) Payment of any further sums advanced or granted by Beneficiary to Grantor, or any of its successors or assigns with interest as agreed, and
- (c) Performance of each agreement, term and condition set forth in this Deed of Trust and in Housing Trust Fund Contract No. 22RC-94120-018 between Northwest Youth Services and Beneficiary, their successors or assigns, as now or hereafter amended (the "Contract").

3. Protection of Security. To protect the security of this Deed of Trust, Grantor covenants and agrees:

3.1. To keep the Property in good condition and repair; to permit no waste thereof; to complete any building, structure or improvement thereon which may be damaged or destroyed; and to comply with all laws, ordinances, conditions and restrictions affecting the Property.

3.2. To pay before delinquent all lawful taxes and assessments upon the Property; to keep the Property free and clear of all other charges, liens, or encumbrances impairing the security of this Deed of Trust.

3.3. To keep all buildings now or hereafter on the Property continuously insured against loss by fire or other hazards in an amount not less than the replacement cost of the Property. Except as otherwise provided herein and in the Contract, the amount collected under any insurance policy may be applied upon any indebtedness hereby secured in such order as the Beneficiary shall determine, subject to the rights of any senior lien-holder. Such application by the Beneficiary shall not cause discontinuance of any proceedings to foreclose this Deed of Trust. In the event of foreclosure, and subject to the rights of the Beneficiary or beneficiaries of any senior deed of trust, all rights of Grantor in insurance policies then in force shall pass to the purchaser at the foreclosure sale.

3.4. 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 cost of title search and attorney's fees in a reasonable amount, in any such proceeding, and in any suit brought by Beneficiary to foreclose this Deed of Trust.

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

3.6. Should Grantor fail to pay when due any taxes, assessments, insurance premiums, liens, encumbrances or other charges against the Property, Beneficiary may pay the same, and the amount so paid

shall be added to and become a part of the debt secured by this Deed of Trust. The payment of such sums by Beneficiary and addition of the amount thereof to the principal balance secured hereby shall not constitute a waiver of the default.

4. General Conditions. The parties hereto agree that:

4.1. In the event of any fire or other casualty to the Property or eminent domain proceedings resulting in condemnation of the Property or any part thereof, Grantor shall have the right to rebuild the Property, and to use all available insurance or condemnation proceeds therefore, provided that (a) such proceeds are sufficient to keep the loan or recoverable grant in balance and rebuild the Property in a manner that provides adequate security to the Beneficiary for repayment of the loan or recoverable grant, or if such proceeds are insufficient to provide adequate security or to keep the loan or recoverable grant in balance, then Grantor has funded any deficiency, (b) Beneficiary shall have the right to approve plans and specifications for any major rebuilding and the right to approve disbursements of insurance or condemnation proceeds for rebuilding under a construction escrow or similar arrangement, and such approval shall not be unreasonably withheld, and (c) no material default then exists under the Contract, the Note, this Deed of Trust or the Covenant. If the casualty or condemnation affects only part of the Property and total rebuilding is infeasible, then such insurance and/or condemnation proceeds may be used for partial rebuilding and partial repayment of the loan or recoverable grant in a manner that provides adequate security to the Beneficiary for repayment of the remaining balance of the loan or recoverable grant.

4.2. 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.

4.3. 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 obligations secured and written request for reconveyance made by the Beneficiary or the person entitled thereto.

4.4. Power of Sale. Pursuant to Chapter 61.24 of the Revised Codes of Washington ("Deeds of Trust Act") and upon default by Grantor without timely cure and after written notice of thirty (30) days in the payment of any indebtedness secured hereby or in the performance of any agreement contained herein, all sums secured hereby shall immediately become due and payable. In such event and upon written notice of Beneficiary, the Property shall be sold, in accordance with the Deeds of Trust Act of the State of Washington, at public auction to the highest bidder. Any person may bid at the Trustee's sale. Subject to the rights of the beneficiary or beneficiaries of any senior deed of trust, the proceeds of the sale shall be applied as follows: (1) to the expense of the sale, including a reasonable Trustee's fee and attorney's fee; (2) to the obligation secured by this Deed of Trust; (3) the surplus, if any, shall be distributed to the person or persons entitled thereto.

4.5. A 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 the execution of this Deed of Trust, and such as Grantor 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 a bona fide purchaser for value.

4.6. The power of sale conferred by this Deed of Trust and by the Deeds 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.

4.7. Beneficiary may at any time appoint or discharge the Trustee.


4.8. This Deed of Trust applies to, inures to the benefit of, and binds all parties hereto and their successors and assigns. The terms "Grantor," "Trustee," and "Beneficiary" include their successors and assigns.

5. Acceleration. Except as otherwise provided for in the Contract, if without Beneficiary's prior written consent, all or any part of the Property or any interest in it is sold, conveyed, transferred, encumbered, or the Property is not used as required by the Low Income Housing Covenant Agreement between Beneficiary and Grantor, executed in conjunction with this Deed of Trust, Beneficiary may, at its option, require immediate payment in full of all sums secured by this Deed of Trust. However, this option shall not be exercised by Beneficiary if exercise is prohibited by federal law as of the date of this Deed of Trust. If Beneficiary exercises this option, Beneficiary shall give Grantor notice of acceleration. The notice shall provide a period of not less than thirty (30) days from the date the notice is delivered or mailed within which Grantor must pay all sums secured by this Deed of Trust. If Grantor fails to pay these sums prior to the expiration of this period, Beneficiary may invoke any remedies permitted by this Deed of Trust without further notice or demand on Grantor.

***[SIGNATURE AND NOTARY BLOCKS FOLLOW]***

WITNESS the hand and seal of the Grantor on the day and year first written above.

**NORTHWEST YOUTH SERVICES,**  
a Washington nonprofit corporation

By:   
Printed Name: Jason McGill  
Title: Executive Director

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF WHATCOM )

On this 10<sup>th</sup> day of July 2024, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Jason McGill, to me personally known (or proved to me on the basis of satisfactory evidence) to be the Executive Director of Northwest Youth Services, a Washington nonprofit corporation, and acknowledged said 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 they were authorized to execute the said instrument.

(Seal or Stamp)

  
(Signature of Notary)

Schantell Ellen Porter  
(Legibly Print or Stamp Name of Notary)

NOTARY PUBLIC in and for the State of Washington

My Commission Expires: 09-11-27

