

When Recorded Return To:

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

Attention: MHU Contracts Specialist - HPP212817-LT**DEED OF TRUST**

Grantor (Borrower): Home Trust of Skagit

Beneficiary (Lender): Washington State Department of Commerce

Grantee (Trustee): Land Title and Escrow Company

Legal Description (abbreviated): Units A, B, E-1, E-2 and F, Southfield PURD
(Full Legal Description on Exhibit A, pages 7-9)

Assessor's Tax Parcel ID#: 8082-000-005-0100/P128678, 8082-000-001-0000/P128667,
8082-000-002-0000/P128668, 8082-000-006-0000/P128679,
8082-000-005-0000/P128677

Contract Number: 23P-94115-034

THIS DEED OF TRUST is made this 22 day of May 2025, between Home Trust of Skagit, a Washington nonprofit corporation, whose mailing address is 241 S. Burlington Boulevard, Burlington, Washington 98233 as Grantor ("Grantor"); Land Title and Escrow Company, whose mailing address is 111 E. George Hopper Road, Burlington, Washington 98233 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:

See Full Legal Description attached hereto as Exhibit A
(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 Three Hundred Thirty-Six Thousand One Hundred Forty-Four and 00/100 Dollars (\$336,144.00) with interest thereon according to the terms of a Promissory Note (the "Note") dated May 22, 2025, payable by Home Trust of Skagit to the Beneficiary, including all renewals, modifications and extensions thereof,
- (b) Payment of any further sums advanced or loaned 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 Preservation Program Contract Number 23P-94115-034 between Home Trust of Skagit 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, but shall not be obligated, to 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 this Contract, the Note, the 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.

HOME TRUST OF SKAGIT,
a Washington nonprofit corporation

By: _____

Printed Name: Felicia Minto

Title: Executive Director

STATE OF WASHINGTON)
) ss.
COUNTY OF SKAGIT)

On this 22nd day of May 2025, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Felicia Minto, to me personally known (or proved to me on the basis of satisfactory evidence) to be the Executive Director of Home Trust of Skagit, 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)



Lavada Dunford
(Signature of Notary)

Lavada Dunford
(Legibly Print or Stamp Name of Notary)

NOTARY PUBLIC in and for the State of Washington

My Commission Expires: 1-15-2028

EXHIBIT A**LEGAL DESCRIPTION****Parcel A:**

Unit A "SOUTHFIELD PLANNED UNIT RESIDENTIAL DEVELOPMENT (P.U.R.D.) and BINDING SITE PLAN", approved June 23, 2009, and recorded July 24, 2009, under Auditor's File No. 200907240089, and more particularly described as follows:

THAT PORTION OF SOUTHFIELD P.U.R.D., SKAGIT COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID SOUTHFIELD P.U.R.D.; THENCE S 29-56-00 W ALONG THE EAST LINE OF SAID SOUTHFIELD P.U.R.D. A DISTANCE OF 176.72 FEET; THENCE N 60-04-00 W A DISTANCE OF 30.22 FEET TO THE TRUE POINT OF BEGINNING; THENCE N 60-45-46 W, A DISTANCE OF 42 44 FEET; THENCE S 29-14-14 W, A DISTANCE OF 78.51 FEET; THENCE S 60-45-46 E, A DISTANCE OF 42.44 FEET; THENCE N 29-14-14 E, A DISTANCE OF 78.51 FEET TO THE POINT OF BEGINNING.

Situate in the County of Skagit, State of Washington.

Parcel B:

Unit B "SOUTHFIELD PLANNED UNIT RESIDENTIAL DEVELOPMENT (P.U.R.D.) and BINDING SITE PLAN", approved June 23, 2009, and recorded July 24, 2009, under Auditor's File No. 200907240089, and more particularly described as follows:

THAT PORTION OF SOUTHFIELD P.U.R.D., SKAGIT COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID SOUTHFIELD P.U.R.D.; THENCE N 59-59-20 W, ALONG THE NORTH LINE OF SAID SOUTHFIELD P.U.R.D. A DISTANCE OF 265.60 FEET; THENCE S 30-00-40 W ALONG THE WEST LINE OF SAID SOUTHFIELD P.U.R.D. A DISTANCE OF 256.66 FEET,

THENCE S 59-59-20 E, A DISTANCE OF 22.57 FEET TO THE TRUE POINT OF BEGINNING;
THENCE S 59-02-42 E, A DISTANCE OF 57.44 FEET;
THENCE S 30-57-56 W, A DISTANCE OF 85.88 FEET;
THENCE N 59-02-42 W, A DISTANCE OF 57.44 FEET;
THENCE N 30-57-56 E, A DISTANCE OF 85.88 FEET TO THE TRUE POINT OF BEGINNING.

Situate in the County of Skagit, State of Washington.

Parcel C:

Unit E-1 "SOUTHFIELD PLANNED UNIT RESIDENTIAL DEVELOPMENT (P.U.R.D.) and BINDING SITE PLAN", approved June 23, 2009, and recorded July 24, 2009, under Auditor's File No. 200907240089, and more particularly described as follows:

THAT PORTION OF SOUTHFIELD P.U.R.D., SKAGIT COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID SOUTHFIELD P.U.R.D.; THENCE S 29-56-00 W ALONG THE EAST LINE OF SAID SOUTHFIELD P.U.R.D. A DISTANCE OF 360.35 FEET;
THENCE N 60-04-00 W A DISTANCE OF 132.01 FEET TO THE TRUE POINT OF BEGINNING;
THENCE N 85-09-16 W. A DISTANCE OF 53.00 FEET;
THENCE N 04-50-44 E, A DISTANCE OF 32.00 FEET;
THENCE S 85-09-16 E, A DISTANCE OF 53.00 FEET;
THENCE S 04-50-44 W, A DISTANCE OF 32.00 FEET TO THE TRUE POINT OF BEGINNING.

Situate in the County of Skagit, State of Washington

Parcel D:

Unit E-2 "SOUTHFIELD PLANNED UNIT RESIDENTIAL DEVELOPMENT (P.U.R.D.) and BINDING SITE PLAN", approved June 23, 2009, and recorded July 24, 2009, under Auditor's File No. 200907240089, and more particularly described as follows:

THAT PORTION OF SOUTHFIELD P.U.R.D., SKAGIT COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID SOUTHFIELD P.U.R.D.; THENCE N 59-59-20 W, ALONG THE NORTH LINE OF SAID SOUTHFIELD P.U.R.D. A DISTANCE OF 265.60 FEET. THENCE S 30-00-40 W ALONG THE EAST LINE OF SAID SOUTHFIELD P.U.R.D. A DISTANCE OF 136.43 FEET; THENCE S 59-59-20 E A DISTANCE OF 21.41 FEET TO THE TRUE POINT OF BEGINNING; THENCE S 62-24-07 E, A DISTANCE OF 53.00 FEET; THENCE S 27-35-53 W, A DISTANCE OF 32.00 FEET; THENCE N 62-24-07 W, A DISTANCE OF 53.00 FEET; THENCE N 27-35-53 E, A DISTANCE OF 32.00 FEET TO THE TRUE POINT OF BEGINNING.

Situate in the County of Skagit, State of Washington.

Parcel E:

Unit F "SOUTHFIELD PLANNED UNIT RESIDENTIAL DEVELOPMENT (P.U.R.D.) and BINDING SITE PLAN", approved June 23, 2009, and recorded July 24, 2009, under Auditor's File No. 200907240089, and more particularly described as follows:

THAT PORTION OF SOUTHFIELD P.U.R.D., SKAGIT COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID SOUTHFIELD P.U.R.D.; THENCE S 29-56-00 W ALONG THE EAST LINE OF SAID SOUTHFIELD P.U.R.D. A DISTANCE OF 293.75 FEET; THENCE N 60-04-00 W A DISTANCE OF 20.40 FEET TO THE TRUE POINT OF BEGINNING; THENCE N 60-10-35 W, A DISTANCE OF 55.00 FEET; THENCE S 29-49-25 W, A DISTANCE OF 50.06 FEET; THENCE S 60-10-35 E. A DISTANCE OF 55.00 FEET; THENCE N 29-49-25 E, A DISTANCE OF 50.06 FEET TO THE TRUE POINT OF BEGINNING.

Situate in the County of Skagit, State of Washington.