



201908220042

08/22/2019 10:27 AM Pages: 1 of 10 Fees: \$112.50
Skagit County Auditor

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

USDA RURAL DEVELOPMENT
Attn: Eric Siebens
1835 Black Lake Blvd. SW, Suite B
Olympia, WA 98512

GUARDIAN NORTHWEST TITLE CO.

19-1572

Document Title(s): 1. PRIORITY AGREEMENT
Grantor(s) (Last name first, then first name and initials): 1. WASHINGTON DEPARTMENT OF COMMERCE 2. FEDERAL HOME LOAN BANK OF DES MOINES 3. UNITED STATES OF AMERICA ACTING THROUGH THE UNITED STATES DEPARTMENT OF AGRICULTURE RURAL HOUSING SERVICE 4. HOUSING AUTHORITY OF SKAGIT COUNTY
Grantee(s) (Last name first, then first name and initials): 1. WASHINGTON STATE DEPARTMENT OF COMMERCE 2. FEDERAL HOME LOAN BANK OF DES MOINES 3. UNITED STATES OF AMERICA ACTING THROUGH THE UNITED STATES DEPARTMENT OF AGRICULTURE RURAL HOUSING SERVICE
Legal description (abbreviated: i.e. lot, block, plat or section, township, range): Portion of the NE SW of Sec 33, Twp 35 N, R 4 E, WM and of Tracts 25 of Burlington Acreage Property
Assessor's Property Tax Parcel/Account Number: (P62437) 3867-000-025-0601
Reference Numbers Restrictive Use Covenant (RD) <u>201908220037</u> Grant Agreement (RD) <u>201908220039</u> Low Income Housing Covenant Agreement (Commerce) <u>201605310074</u> Agreement for covenants and Restrictions (FHLB) <u>201908220041</u> Real Estate Deed of Trust (RD) <u>201908220036</u> Assignment of Rents (RD) <u>201908220038</u> Deed of Trust (Commerce): <u>201605310075</u>

PRIORITY AGREEMENT

This PRIORITY AGREEMENT (this "Agreement") is made as of this 22th day of August, 2019, by and among the **WASHINGTON DEPARTMENT OF COMMERCE**, a department of the state of Washington ("Commerce"), **FEDERAL HOME LOAN BANK OF DES MOINES** ("FHLB"), and the **UNITED STATES OF AMERICA ACTING THROUGH THE RURAL HOUSING SERVICE, UNITED STATES DEPARTMENT OF AGRICULTURE, OR ITS SUCCESSOR AGENCY** ("RD"), and **THE HOUSING AUTHORITY OF SKAGIT COUNTY**, a Housing Authority per RCW 35.82 the ("Owner").

RECITALS

The parties hereto wish to evidence the intended order of priority of the documents recorded in connection with the loans and grants made by Commerce, FHLB, and RD in order to finance the construction of Skagit County Seasonal Housing (collectively, the "Project") located in Burlington, Skagit County, Washington, on the property legally described on Exhibit A, attached hereto and incorporated herein (collectively, the "Property"). New loans and grants are being provided simultaneously from RD, a new loan from Commerce, and a grant from FHLB.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual agreements and undertakings herein contained, the parties agree as follows:

1. PRIORITIES

Regardless of the time that each party's interest in the Property was created or recorded and regardless of the existing order of recording of each party's interest in the Property, such interests have and shall have the following priorities:

- 1st Restrictive Use Covenant (RD) granted by The Housing Authority of Skagit County, in favor of United States of America, acting through the Rural Housing Service in Rural Development, United States Department of Agriculture, dated AUG 22, 2019 and recorded AUG 22, 2019 under Recording No. 201908220037.
- 2nd Grant Agreement (RD) granted by The Housing Authority of Skagit County, in favor of United States of America, acting through the Rural Housing Service in Rural Development, United States Department of Agriculture, dated MAY 14, 2019 and recorded AUG 22, 2019 under Recording No. 201908220039.
- 3rd UCC-1 Financing Statement (RD) naming The Housing Authority of Skagit County, as debtor and United States of America as Creditor filed in the Office of the Secretary of State of Washington.
- 4th Assignment of Rents (RD), granted by The Housing Authority of Skagit County, for the benefit of United States of America, acting through the Rural Housing Service in Rural Development, United States Department of Agriculture, dated AUG 22, 2019 and recorded AUG 22, 2019 under Recording No. 201908220041.

- 5th Low Income Housing Covenant Agreement (Commerce) granted by The Housing Authority of Skagit County, in favor of Washington Department of Commerce, a department of the state of Washington dated May 4, 2016, and recorded May 31, 2016 under Recording No. 201605310074.
- 6th Real Estate Deed of Trust for Washington (RD) granted by The Housing Authority of Skagit County, for the benefit of the United States of America, acting through the Rural Housing Service in Rural Development, United States Department of Agriculture, dated AUG 22, 2019 and recorded AUG 22, 2019 under Recording No. 201908220038.
- 7th Deed of Trust (Commerce) granted by The Housing Authority of Skagit County, for the benefit of Washington Department of Commerce, a department of the state of Washington, dated May 28, 2015 and recorded May 31, 2016 under Recording No. 201605310075.
- 8th Agreement for Covenants and Restrictions (FHLB) granted by The Housing Authority of Skagit County and Banner Bank, in favor of the Federal Home Loan Bank of Des Moines and Banner Bank, dated JUNE 18, 2019 and recorded AUG 22, 2019 under Recording No. 201908220041.

This agreement and the order of priority of the above instruments are not intended to and shall not amend the terms contained within such instruments.

2. MISCELLANEOUS

(a) Entire Agreement

This Agreement comprises the entire agreement among the parties with respect to the priority of each party's interests in the Property identified in this Agreement, and all prior understandings of agreements on that subject are superseded hereby.

(b) Survival of Regulatory Agreements

Commerce, FHLB, RD, Owner, and any other parties acknowledge that, notwithstanding the priority of the Restrictive Use Covenant (RD), the Low Income Housing Covenant Agreement (Commerce), and Agreement for Covenants and Restrictions (FHLB) identified above (the "Regulatory Agreements"), these agreements and covenants apply simultaneously and that the grantors thereunder are obligated to comply with each of them regardless of their relative priority or order of recording. In the event that there is a conflict between the Regulatory Agreements, the most restrictive provisions will apply. The Regulatory Agreements shall survive any foreclosure sale, trustee's sale or deed in lieu thereof under each Lender's respective deed of trust and shall be binding on any person acquiring the Property by any such means, or that is a successor to one who acquires the Property by such means, for so long as such person shall retain an interest in the property, subject to the terms of the Regulatory Agreements regarding the termination thereof.

(c) Applicable Law; Venue

This Agreement shall be governed by and construed in accordance with the laws of the United States and the State of Washington.

(d) Amendment

This Agreement may be amended only in writing signed by the parties hereto, but this clause shall not impair the validity of any further agreements among fewer than all of the parties hereto as among themselves.

(e) Counterparts

This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument and whether or not all parties execute each counterpart.

(f) Completion of Recording Information

If this Agreement is signed without completion of certain recording information called for above, any party hereto or any title insurance company acting on the instructions of any party is hereby authorized to insert such information prior to recording this Agreement.

(g) Survival of Representation and Warranties

All representations and warranties made in this Agreement and in any document, certificate or statement delivered by the Parties in connection herewith shall survive the execution and delivery of this Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed by their respective, duly authorized representatives, as of the day and year first written above.

COMMERCE:

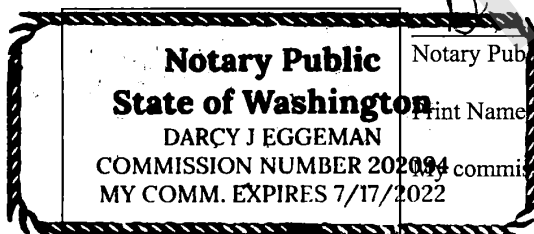
WASHINGTON STATE DEPARTMENT OF COMMERCE:

By: [Signature]
 Name: Diane Klontz
 Its: 8/14/19

STATE OF WASHINGTON)
) ss.
 COUNTY OF Thurston)

I certify that I know or have satisfactory evidence that Diane Klontz is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that she/he was authorized to execute the instrument and acknowledged it as the Assistant Director, C&D of the Washington State Department of Commerce to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED: Aug 14th, 2019.



[Signature]
 Notary Public
 Print Name: Darcy Eggeman
 Commission expires 7/17/22

(Use this space for notarial stamp/seal)

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed by their respective, duly authorized representatives, as of the day and year first written above.

FHLB:

FEDERAL HOME LOAN BANK OF DES MOINES:

By: Renee MorrisName: Renee MorrisIts: Rental Housing ManagerSTATE OF Iowa)

) ss.

COUNTY OF Polk)

I certify that I know or have satisfactory evidence that Renee Morris is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that she/he was authorized to execute the instrument and acknowledged it as the Rental Housing Manager of the Federal Home Loan Bank of Des Moines to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

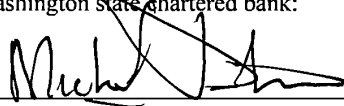
DATED: August 15, 2019.Mary Jo Vogl
Notary PublicPrint Name Mary Jo VoglMy commission expires 1-31-2021

(Use this space for notarial stamp/seal)

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed by their respective, duly authorized representatives, as of the day and year first written above.

BANNER BANK:

A Washington state chartered bank:

By: 

Name: Michael Dotson

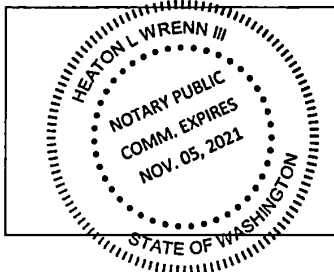
Its: CAMP Community Outreach Officers


STATE OF Washington

COUNTY OF King

I certify that I know or have satisfactory evidence that Michael Dotson is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that she/he was authorized to execute the instrument and acknowledged it as the Vice President of the Banner Bank to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED: August 14, 2019.




Notary Public

Print Name Heaton L. Wrenn, III

My commission expires 11/5/21

(Use this space for notarial stamp/seal)

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed by their respective, duly authorized representatives, as of the day and year first written above.

RD:

THE UNITED STATES OF AMERICA, acting through the
RURAL HOUSING SERVICE, UNITED STATES
DEPARTMENT OF AGRICULTURE:

By: Mary Traxler

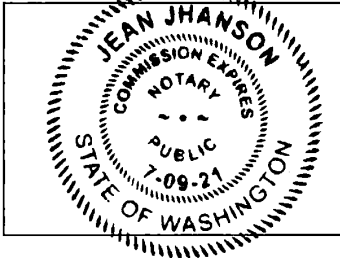
Name: Mary Traxler

Its: Multifamily Housing Program Director

STATE OF WASHINGTON)
) ss.
COUNTY OF THURSTON)

I certify that I know or have satisfactory evidence that Mary Traxler is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that she/he was authorized to execute the instrument and acknowledged it as the Multifamily Housing Program Director acting through the Rural Housing Service, United States Department of Agriculture to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED: August 15, 2019.



Jean Jhanston
Notary Public

Print Name JEAN JHANSTON

My commission expires 07-09-2021

(Use this space for notarial stamp/seal)

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed by their respective, duly authorized representatives, as of the day and year first written above.

OWNER:

HOUSING AUTHORITY OF SKAGIT COUNTY:

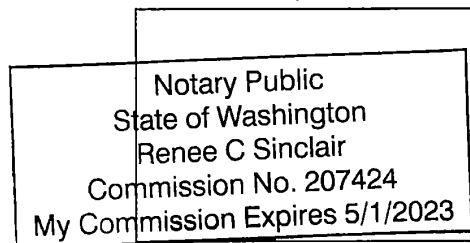
By: Name: Melanie CoreyIts: Executive Director

STATE OF WASHINGTON)

) ss.

COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that Melanie Corey is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that she/he was authorized to execute the instrument and acknowledged it as the Executive Director of the Housing Authority of Skagit County to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED: August 14, 2019.
Notary Public

Print Name

RENEE C SINCLAIR

My commission expires

5/1/23

(Use this space for notarial stamp/seal)

EXHIBIT A
to Priority Agreement

LEGAL DESCRIPTION OF PROPERTY

Lot "A" of Skagit County Short Plat No. PL 17-0217 approved April 29, 2019 and recorded April 29, 2019 as Skagit County Auditor's File No. 201904290105 being a portion of the Northwest Quarter of the Southeast Quarter and the Northeast Quarter of the Southwest Quarter of Section 33, Township 35 North, Range 4, East, W. M. and of Tracts 25 and 36, "PLAT OF THE BURLINGTON ACREAGE PROPERTY," as per plat recorded in Volume 1 of Plats, page 49, records of Skagit County, Washington.

Parcel Number: (P62437) 3867-000-025-0601