

RECORDED AT THE REQUEST OF
AND AFTER RECORDING RETURN TO:

Housing Authority of Skagit County
1650 Port Drive
Burlington, WA 98233

AGREEMENT FOR COVENANTS AND RESTRICTIONS

Grantor(s): **HOUSING AUTHORITY OF SKAGIT COUNTY**
MOUNT VERNON FARMWORKER LLLP. a
Washington limited liability limited partnership
HOUSING AUTHORITY OF SKAGIT COUNTY,
a public body corporate and politic of the state of Washington
BANNER BANK, a Washington state-chartered bank

Grantee(s): **FEDERAL HOME LOAN BANK OF DES MOINES**
BANNER BANK, a Washington state-chartered bank

Abbreviated Legal Description: SW NW of Sec. 15, Twp. 34 N., R.4 E., WM
(Full legal description included on Exhibit A)

Assessor's Tax Parcel
ID Number: P24832

THIS AGREEMENT FOR COVENANTS AND RESTRICTIONS (“**Agreement**”), is made among Banner Bank, a Washington state-chartered bank (the “**Applicant/Member**”), Housing Authority of Skagit County Mount Vernon Farmworker LLLP, a Washington limited liability limited partnership (the “**Owner**”), and Housing Authority of Skagit County, a Washington public body corporate and politic of the State of Washington (the “**Sponsor**”) as of

1st AM
1009324 - 7 pgs

October 21st, 2021. The Applicant/Member, Owner and Sponsor are jointly referred to herein as the “Parties” and individually as a “Party.”

WHEREAS, the Parties and the Federal Home Loan Bank of Des Moines (“FHLBDM”) have executed an Affordable Housing Program Subsidy Agreement For Rental Project (hereinafter the “AHP Agreement”).

WHEREAS, Owner will construct 51 units (including 1 manager unit) of low income housing referred to as Mount Vernon Family Housing (the “Project”), located on certain real property in Mount Vernon, Washington, as legally described in the attached Exhibit A (the “Property”).

NOW, THEREFORE, in consideration of the premises and for other valuable consideration the receipt of which is hereby acknowledged, the Parties agree as follows:

1. The Project’s rental units, or applicable portion thereof, must remain occupied by, and affordable for, households with incomes at or below the levels committed to be served in the approved Affordable Housing Program application (the “AHP Application”) for 15 years from the date the Project is completed (the “Retention Period”).
2. The FHLBDM or the Applicant/Member shall be given notice of any sale or refinancing of the Project occurring prior to the end of the Retention Period.
3. In the case of a sale, transfer, assignment of title or deed, or refinancing of the Project prior to the end of the Retention Period, the full amount of the direct subsidy received by the Owner shall be repaid to the FHLBDM, unless one of the following exceptions applies:
 - (a) the Project continues to be subject to a deed restriction or other legally enforceable retention agreement or mechanism incorporating the income-eligibility and affordability restrictions committed to in the AHP Application for the duration of the Retention Period; or
 - (b) if authorized by the FHLBDM, in its discretion, the households from the rental units in the Project are relocated, due to the exercise of eminent domain, or for the expansion of housing or services, to another property that is made subject to a deed restriction or other legally enforceable retention agreement or mechanism incorporating the income-eligibility and affordability restrictions committed to in the AHP Application for the remainder of the Retention Period.
4. The income-eligibility and affordability restrictions applicable to the Project shall terminate after any foreclosure or deed in lieu of foreclosure.
5. All of the covenants herein shall run with the Property described in Exhibit A hereto and the Project thereon, and be binding upon the Owner and Sponsor and their respective successors or assigns, for the duration of the Retention Period.

6. If any provision of this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining portions shall not in any way be affected or impaired.

7. All of the rights and obligations set forth herein and in the AHP Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns during the Retention Period.

8. The Owner shall record this Agreement in the appropriate office(s)/jurisdiction(s) which will enhance the likelihood that the FHLBDM and Applicant/Member will receive the notice as called for herein.

9. This Agreement and the covenants and restrictions contained herein shall be deemed automatically released, discharged and terminated upon the earlier to occur of: (i) the expiration of the Retention Period, (ii) the date on which the direct subsidy is repaid to FHLBDM under Section 3 above, or (iii) any foreclosure on the Project under Section 4 above. The Owner, or its successors or assigns, shall be responsible for the completion and recording of any and all documentation necessary to effect any release of this Agreement in connection with the sale, refinancing or foreclosure of the Project during the Retention Period. The recording of a release shall not be necessary, however, in connection with the expiration of the Retention Period.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement for Covenants and Restrictions to be executed by their duly authorized officers, all as of the effective date first above written.

[Signatures on Following Pages]

EXHIBIT A
LEGAL DESCRIPTION

PARCEL A:

THE SOUTH 616 FEET OF THE FOLLOWING DESCRIBED PROPERTY:

THE EAST 1/2 OF THE EAST 1/2 OF THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF SECTION 15, TOWNSHIP 34 NORTH, RANGE 4 EAST, W.M.

EXCEPT THAT PORTION CONVEYED TO THE STATE OF WASHINGTON BY DEED DATED MAY 29, 1986 AND RECORDED UNDER AUDITOR'S FILE NO. 8610010020, RECORDS OF SKAGIT COUNTY, WASHINGTON.

SITUATE IN THE CITY OF MOUNT VERNON, COUNTY OF SKAGIT, STATE OF WASHINGTON.

PARCEL B:

AN EASEMENT FOR STORMWATER POND AS ESTABLISHED UNDER OPERATIONS, MAINTENANCE, AND EASEMENT AGREEMENT FOR DRAINAGE AND STORMWATER FACILITIES RECORDED October 21, 2021, UNDER RECORDING NO. 202110210093.