

**AFTER RECORDING RETURN TO:**

Mark Kantor  
Kantor Taylor PC  
1201 Fifth Avenue, Suite 1910  
Seattle, WA 98101

**PRIORITY AND SUBORDINATION AGREEMENT  
(HASC MV Family Housing)**

- Grantors:**
1. WASHINGTON STATE HOUSING FINANCE COMMISSION
  2. BANNER BANK
  3. WASHINGTON STATE DEPARTMENT OF COMMERCE
  4. SKAGIT COUNTY
  5. FEDERAL HOME LOAN BANK OF DES MOINES
  6. HOUSING AUTHORITY OF SKAGIT COUNTY
  7. HOUSING AUTHORITY OF SKAGIT COUNTY MOUNT VERNON FARMWORKER LLLP

- Grantees:**
1. WASHINGTON STATE HOUSING FINANCE COMMISSION
  2. BANNER BANK
  3. WASHINGTON STATE DEPARTMENT OF COMMERCE
  4. SKAGIT COUNTY
  5. FEDERAL HOME LOAN BANK OF DES MOINES
  6. HOUSING AUTHORITY OF SKAGIT COUNTY

**Abbrev. Legal Description.:** SW NW of Sec. 15, Twp. 34 N., R. 4 E., WM  
(Full Legal Description on Exhibit A)

**Assessor's Tax Parcel No.:** P24832

<b>Reference Numbers:</b>	Extended Use Agreement:	<u>202110210119</u>
	State Covenant:	<u>202110210120</u>
	County Covenant:	<u>202110210121</u>
	AHP Covenant:	<u>202110210122</u>
	Bank Deed of Trust:	<u>202110210123</u>
	State Deed of Trust:	<u>202110220008</u>
	State Assignment:	<u>202110220051</u>
	County Deed of Trust:	<u>202110220052</u>
	Seller Loan Deed of Trust:	<u>202110220054</u>
	AHP Deed of Trust:	<u>202110220053</u>

## PRIORITY AND SUBORDINATION AGREEMENT

This **PRIORITY AND SUBORDINATION AGREEMENT** ("Agreement") is made as of October 21, 2021, by and among the **WASHINGTON STATE HOUSING FINANCE COMMISSION**, a Washington public body corporate and politic ("Commission"); **BANNER BANK**, a Washington state-chartered bank ("Bank"); **WASHINGTON STATE DEPARTMENT OF COMMERCE**, a department of the state of Washington (the "State"); **SKAGIT COUNTY**, a Washington municipal corporation ("Skagit County"); **FEDERAL HOME LOAN BANK OF DES MOINES** ("FHLB"); **HOUSING AUTHORITY OF SKAGIT COUNTY**, a Washington public body corporate and politic ("Sponsor"); and **HOUSING AUTHORITY OF SKAGIT COUNTY MOUNT VERNON FARMWORKER LLLP**, a Washington limited liability limited partnership (the "Partnership"). The Bank, State, Skagit County, and Sponsor, solely with respect to the Seller Loan and Sponsor Loan described in Recitals G.1 and G.2 herein, are collectively referred to as the "Lenders." All parties to this Agreement and their respective successors and assigns are collectively referred to as the "Parties."

### RECITALS

This Agreement is made with reference to the following facts:

**A. Partnership's Interest.** Pursuant to that certain Ground Lease Agreement by and between the Partnership, as grantee, and Sponsor, as grantor, dated on or about the date hereof, the Partnership holds a long-term leasehold interest in certain real property located at 4103 East College Way, Mount Vernon, Washington 98273, legally described on **Exhibit A** attached hereto (the "Property," which term includes all improvements now and hereafter constructed thereon). The Property will be developed using a combination of public and private funds from various sources, to serve as affordable housing for low-income and farmworker households (the "Project").

**B. Commission's Interest.** The Partnership has obtained financing for the Project through the use of federal Low-Income Housing Tax Credits ("LIHTC"). In connection with the LIHTC, the Partnership has executed a Regulatory Agreement (Extended Use Agreement) in favor of the Commission dated of even date herewith and recorded in the official records of Skagit County, Washington (the "Official Records") as Instrument No. 202110210119 ("Extended Use Agreement").

**C. Bank's Interest.** The Bank and the Partnership have entered into a Construction and Term Loan Agreement (the "Bank Loan Agreement") which sets forth the terms and conditions under which the Bank has agreed to lend the Partnership \$9,855,000 (the "Bank Loan") to finance construction of the Project. The Bank Loan is evidenced by a Promissory Note (the "Bank Note"), made by the Partnership to the order of the Bank. Repayment of the

Bank Note is secured by, among other security documents, a Leasehold Deed of Trust made by the Partnership in favor of UPF Washington, Incorporated, as trustee, and the Bank as beneficiary dated as of October 1, 2021, and recorded in the Official Records as Instrument No. 202110210123 (the "Bank Deed of Trust"), encumbering the Partnership's leasehold interest in the Property, and a UCC-1 Financing Statement, which shows the Partnership as debtor, and the Bank as secured party, filed with the Department of Licensing, Uniform Commercial Code Division of the State of Washington (the "Bank Financing Statement"). The Bank Loan Agreement, the Bank Note, the Bank Deed of Trust, and the Bank Financing Statement, and all documents executed by the Partnership in connection therewith, are referred to collectively as the "Bank Loan Documents."

**D. State's Interest.** Sponsor and the State have entered into Housing Trust Fund Contract No. 19-94110-018 ("State Contract"), pursuant to which the State has agreed to provide a loan in the amount of up to \$3,000,000.00 ("State Loan") for development of the Project. The State Loan is evidenced by that certain Promissory Note made by the Sponsor to the order of the State ("State Note"), and secured by a Leasehold Deed of Trust executed by the Partnership, as grantor, in favor of First American Title Insurance Company, as trustee, and the State, as beneficiary, dated as of the date hereof and recorded in the Official Records as Instrument No. 202110220008 ("State Deed of Trust") encumbering the Partnership's interest in the Property. As consideration for the State Loan, the Partnership also executed that certain Low Income Housing Covenant Agreement ("State Covenant") encumbering the Property, dated as of the date hereof, and recorded in the Official Records as Instrument No. 202110210120. Sponsor assigned to the Partnership, and the Partnership assumed from Sponsor, all of Sponsor's right, title, obligations and interests in the State Contract and the State Note, pursuant to an Assignment, Assumption and Consent Agreement ("State Assignment") dated as of the date hereof, in the Official Records as Instrument No. 2021100220051. All documents identified in this Recital D, and any documents executed by Sponsor and/or the Partnership in connection therewith, are collectively referred to as the "State Loan Documents." References to the State Loan Documents include all advances made under the State Deed of Trust, whether optional or obligatory, and all modifications, extensions, renewals or replacements of the State Deed of Trust.

**E. Skagit County's Interest.** The Partnership and Skagit County have entered into that certain Interlocal Funding Agreement (the "County Contract"), pursuant to which Skagit County has agreed to provide a loan in the amount of up to \$250,000 (the "County Loan") to the Partnership for the development of the Project. The County Loan is evidenced by that certain Promissory Note made by the Partnership to the order of Skagit County (the "County Note") and is secured by that certain Leasehold Deed of Trust ("County Deed of Trust") in favor of First American Title Insurance Company, as trustee, and Skagit County, as beneficiary, dated of even date herewith and recorded in the Official Records as Instrument No. 2021100220052. In consideration for the County Loan, the Partnership and Sponsor have also executed a Declaration of Restrictive Housing Covenant (the "County Covenant") encumbering the Property, dated of even date herewith and recorded in the Official Records as Instrument

No. 202110210121. All documents identified in this Recital E, and any documents executed by Sponsor and/or the Partnership in connection therewith are collectively referred to as the "County Loan Documents." References to the County Loan Documents include all advances made under the County Deed of Trust, whether optional or obligatory, and all modifications, extensions, renewals or replacements of the County Deed of Trust.

**F. FHLB and Bank's Interests.** Sponsor has been approved pursuant to an application to the FHLB, through the Bank, in its capacity as a member of the FHLB, for an award of funds through the Member's Affordable Housing Program ("AHP") in the amount of \$850,000 (the "AHP Award"). In connection with the AHP Award, the Bank, Sponsor and the Partnership have entered into an Affordable Housing Program Subsidy Agreement For Rental Project, dated effective as of December 12, 2019 (the "AHP Agreement"). The Partnership has also executed an Agreement for Covenants and Restrictions for the benefit of FHLB and the Bank, recorded in the Official Records as Instrument No. 202110210122 (the "AHP Covenant") to ensure the Project meets AHP occupancy and affordability requirements for a period of 15 years.

**G. Sponsor's Interest.**

1. Seller Loan. Sponsor has agreed to provide a loan to the Partnership evidenced by a Promissory Note in the amount of \$360,000 ("Seller Note"). The Seller Note is secured by a Leasehold Deed of Trust granted by the Partnership in favor of First American Title Insurance Company, as trustee, and Sponsor, as beneficiary, dated of even date herewith, and recorded in the Official Records as Instrument No. 2021100220054 ("Seller Loan Deed of Trust"). References to the "Seller Loan Deed of Trust" include all modifications, extensions, renewals or replacements of the Seller Loan Deed of Trust. The Seller Note and Seller Loan Deed of Trust are collectively referred to as the "Seller Loan Documents."

2. Sponsor Loan. Sponsor has also agreed to provide a loan from the proceeds of the AHP Award to the Partnership evidenced by a Promissory Note in the amount of \$850,000 (the "AHP Note"). The AHP Note is secured by a Leasehold Deed of Trust granted by the Partnership in favor of First American Title Insurance Company, as trustee and the Sponsor, as beneficiary dated of even date herewith, and recorded in the Official Records as Instrument No. 2021100220053 ("AHP Deed of Trust"). References to the "AHP Deed of Trust" include all modifications, extensions, renewals or replacements of the AHP Deed of Trust. The AHP Note and AHP Deed of Trust are collectively referred to as the "AHP Loan Documents."

3. Sponsor Option. Pursuant to the First Amended and Restated Agreement of Limited Liability Limited Partnership of the Partnership (the "Amended and Restated Partnership Agreement") and that certain Right of First Refusal Agreement between the Partnership and Sponsor, as purchaser, Sponsor has certain unrecorded rights to purchase the limited partnership interests in the Partnership and the Project (together with any other rights of the Sponsor, in its individual capacity or in its capacity as general partner of the Partnership,

to acquire the partnership interests in the Partnership and the Project, or any interest therein under the Amended and Restated Partnership Agreement or otherwise, the "Sponsor Option").

**H. Purpose.** The Parties wish to enter into this Agreement in order to establish their respective rights and priorities regarding the Property, all as more fully set forth herein.

#### **AGREEMENT**

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

**1. Priorities.** Regardless of the time each Party's interest in or lien on the Property was or shall be created or recorded, such interests and liens have and shall have the following priorities:

(a) **First Priority.** The Extended Use Agreement shall have first priority. The liens, rights and interests of the Parties created under documents with a lesser priority as established in this Agreement are hereby made subordinate and subject to the rights and interests of the Commission under the Extended Use Agreement. Subject to the terms of the Extended Use Agreement, the Extended Use Agreement shall survive foreclosure of any lien with a lesser priority as established in this Agreement and shall be binding upon any person that acquires the Property by means of such foreclosure or deed in lieu thereof 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.

(b) **Second Priority.** The State Covenant shall have second priority. The liens, rights and interests of the Parties created under documents with a lesser priority as established in this Agreement are hereby made subordinate and subject to the rights and interests of the State under the State Covenant. Subject to the terms of the State Covenant, the State Covenant shall survive foreclosure of any lien with a lesser priority as established in this Agreement and shall be binding upon any person that acquires the Property by means of such foreclosure or deed in lieu thereof 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.

(c) **Third Priority.** The County Covenant shall have third priority. The liens, rights and interests of the Parties created under documents with a lesser priority as established in this Agreement are hereby made subordinate and subject to the rights and interests of Skagit County under the County Covenant. Subject to the terms of the County Covenant, the County Covenant shall survive foreclosure of any lien with a lesser priority as established in this Agreement and shall be binding upon any person that acquires the Property by means of such foreclosure or deed in lieu thereof 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.

(d) **Fourth Priority.** The AHP Covenant shall have fourth priority. The liens, rights and interests of the Parties created under documents with a lesser priority as established in this Agreement are hereby made subordinate and subject to the rights and interests of the FHLB and Bank, in its capacity as member of the FHLB, under the AHP Covenant. Subject to the terms of the AHP Covenant, the AHP Covenant shall survive foreclosure of any lien with a lesser priority as established in this Agreement and shall be binding upon any person that acquires the Property by means of such foreclosure or deed in lieu thereof 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.

(e) **Fifth Priority.** The Bank Deed of Trust shall have fifth priority. The liens, rights and interests of the Parties created under documents with a lesser priority as established in this Agreement are hereby made subordinate and subject to the rights and interests of the Bank under the Bank Deed of Trust.

(f) **Sixth Priority.** The State Deed of Trust shall be sixth in priority. The liens, rights and interests of the Parties created under documents with a lesser priority as established in this Agreement are hereby made subordinate and subject to the rights and interests of State under the State Deed of Trust.

(g) **Seventh Priority.** The State Assignment shall be seventh in priority. The liens, rights and interests of the Parties created under documents with a lesser priority as established in this Agreement are hereby made subordinate and subject to the rights and interests of the State under the State Assignment.

(h) **Eighth Priority.** The County Deed of Trust shall be eighth in priority. The liens, rights and interests of the Parties created under documents with a lesser priority as established in this Agreement are hereby made subordinate and subject to the rights and interests of Skagit County under the County Deed of Trust.

(i) **Ninth Priority.** The Seller Loan Deed of Trust shall be ninth in priority. The liens, rights and interest of the Parties created under documents with a lesser priority as established in this Agreement are hereby made subordinate and subject to the rights and interests of Sponsor under the Seller Loan Deed of Trust.

(j) **Tenth Priority.** The AHP Deed of Trust shall be tenth in priority. The liens, rights and interests of the Parties created under documents with a lesser priority as established in this Agreement are hereby made subordinate and subject to the rights and interests of the Sponsor under the AHP Deed of Trust.

(k) **Eleventh Priority.** The Sponsor Option shall be eleventh in priority.

For purposes of this Section 1, the lien or interest with "lesser priority" is the one with the higher numerical designation, so that, for example, "fifth priority" is a "lesser priority" than "fourth priority."

The Bank Deed of Trust, State Deed of Trust, County Deed of Trust, Seller Loan Deed of Trust and AHP Deed of Trust shall maintain their respective liens against any fee simple interest later acquired by or released to the Partnership and shall retain the same priority as established under this Agreement.

The Parties agree that the Lenders do not have any obligation to each other to advance funds or to see to the application of their respective loan proceeds and that any application of such proceeds contrary to the terms of any loan documents shall not defeat the subordinations granted herein in whole or in part.

The Parties agree that except for such obligations as the Partnership may have to other Parties hereto pursuant to agreements with such Parties, (i) the Parties do not have any obligation to each other to advance funds or to see to the application of their respective loan proceeds, (ii) any application of such proceeds contrary to the terms of any loan documents shall not defeat the subordinations granted herein in whole or in part, and (iii) nothing contained in this Agreement shall impair the right of any Party to pursue any right or remedy available to it in any of the agreements, covenants, regulatory agreements, deeds of trust or options referenced herein.

Notwithstanding any other provisions of this Agreement, the priorities established hereunder shall not apply to, nor affect the security position of, any security agreement or pledge of cash accounts or other property to which only one Party hereto has been granted a security interest.

2. **Reliance: Partnership's Consent.** It is understood by the Parties hereto that the Bank, State and Skagit County would not enter into, or make disbursements under, their respective loan documents without this Agreement. The Partnership consents to all the terms hereof.

3. **Insurance or Condemnation Proceeds.** Notwithstanding any provision of the State Loan Documents, the County Loan Documents, the Seller Loan Documents or the AHP Loan Documents to the contrary, so long as amounts under the Bank Loan Documents remain unpaid, in the event of any damage to, destruction of, or taking or condemnation (including deed in lieu thereof) of the Property or any portion thereof, the application of any insurance or condemnation proceeds shall be governed by the terms of the Bank Deed of Trust. Any funds to be applied to repair or restoration shall be held and administered by the Bank in accordance with the Bank Loan Documents, and the Bank shall be entitled to reasonable compensation for its services in connection with the administration of such funds, as set forth in the Bank Deed of Trust, *provided* that, if applicable law does not permit a lender to hold such proceeds, then the Bank shall have the right to designate an insurance trustee to administer the proceeds consistent with the Bank Deed of Trust subject to applicable law. For so long as amounts under the Bank Loan Documents remain unpaid, the Bank shall have all approval, consent, and oversight rights in connection with any insurance claims relating to the Property and any

decisions regarding the use of insurance or condemnation proceeds after a casualty loss or condemnation notwithstanding any rights of the other Lenders under the State Loan Documents, the County Loan Documents, Seller Loan Documents and the AHP Loan Documents.

4. **Rents.** The Parties understand that the Partnership has assigned all leases, income, rents, and profits of the Property in connection with the Bank Loan Documents. The Parties agree that upon default under the Bank Loan Documents, the Bank shall have the absolute right to collect all rents and profits from the Property as provided in the Bank Loan Documents.

5. **Refinance.** The Parties acknowledge that the Bank Loan is due and payable prior to the maturity date of the State Loan, County Loan, Seller Loan and AHP Loan. The State and Skagit County agree that they shall not unreasonably withhold consent to a refinancing of the Bank Loan with a new permanent mortgage loan at any time within two years prior to the maturity date of the Bank Loan, provided that the new loan is on commercially reasonable terms, will not exceed in principal amount the balance due on the Bank Loan plus reasonable financing costs and any amount approved by the State and Skagit County for repairs or improvements to the Property, and will have no greater priority than the loan being refinanced. The Partnership shall submit to the State and Skagit County no later than six months prior to the date of any balloon payment, a proposal for refinancing, including estimated loan terms and a financial pro forma showing the ability of the Property to satisfy anticipated debt service. The State and Skagit County shall respond within a reasonable timeline, either approving in principle the refinancing terms or stating reasons for disapproval. If the State or Skagit County gives notice of disapproval, the Parties shall consult in a good faith effort to agree on a plan for refinancing. If the State and Skagit County approve a plan for refinancing, then the Partnership shall proceed diligently to seek a new mortgage loan on substantially the terms approved. The Partnership shall submit to the State and Skagit County for approval, prior to the Partnership's acceptance of any loan commitment letter, and the State and Skagit County shall give written notice of their approvals, which shall not be unreasonably withheld if the terms are substantially consistent with the financing plan previously approved by the State and Skagit County or shall give notice of its reasons for disapproval. If the State and Skagit County approve a loan commitment letter, final loan documents shall remain subject to the State's and Skagit County's approval, which shall not be unreasonably withheld or delayed provided that, in the case of any loan to have priority over the State Loan Documents and the County Loan Documents, the new subordination agreement shall be substantially in the form of this Agreement or otherwise in a form reasonably acceptable to the State and Skagit County, and shall provide for the use of insurance proceeds for restoration in the event of casualty loss, and shall allow reasonable rights to notice and opportunity to cure defaults of such loan by the State and Skagit County.

For the sole purposes of the Bank Loan defined above in Recital C and addressed in this Section 5, in the event of any conflict between the terms of this Section 5 and the provisions of

the State Loan Documents and County Loan Documents, the provisions of this Section 5 shall prevail.

**6. Miscellaneous.**

(a) **Entire Agreement.** This Agreement constitutes the entire agreement among the Parties with respect to the priority of each Party's liens and interests in the Property described herein and all prior understandings and agreements on that subject are superseded hereby.

(b) **Applicable Law.** This Agreement shall be governed by, and construed in accordance with, the laws of the state of Washington. Venue shall be Skagit County, Washington.

(c) **Notices.** All notices to be given pursuant to this Agreement shall be in writing and shall be deemed given when hand-delivered within normal business hours, when actually received by facsimile transmission during normal business hours, or two (2) business days after deposit in the U.S. mail, postage prepaid, (one (1) business day if sent by overnight courier) to the Parties hereto at the addresses set forth below, or to such other place as a Party may from time to time designate by notice to the other Parties. No transferee or successor of a Party hereto shall be entitled to notices or opportunity to cure defaults hereunder unless notice of the transfer is given in accordance with this subsection.

**Commission:** Washington State Housing Finance Commission  
1000 Second Avenue, Suite 2700  
Seattle, Washington 98104-1046  
Attn: Executive Director

**Bank:** Banner Bank  
Attn: Louise Eller  
5930 Granite Lake Drive, Suite 170  
Granite Bay, CA 95746

**State:** State of Washington Department of Commerce  
1011 Plum Street SE  
Olympia, WA 98504-2525  
Attn: Director

**FHLB:** Federal Home Loan Bank of Des Moines  
909 Locust Street  
Des Moines, IA 50309  
Attn: Assistant Vice President, Rental Housing Manager

**Skagit County:** Skagit County Public Health  
Attention: George Kosovich  
700 South Second Street, #301  
Mount Vernon, WA 98273

**Sponsor:** Housing Authority of Skagit County  
1650 Port Drive  
Burlington, WA 98223  
Attn: Executive Director

**Partnership:** Housing Authority of Skagit County Mount Vernon Farmworker  
LLLP  
c/o Housing Authority of Skagit County  
1650 Port Drive  
Burlington, WA 98223  
Attn: Executive Director

**With a copy to:** Wincopin Circle LLLP  
c/o Enterprise Community Asset Management, Inc.  
70 Corporate Center  
11000 Broken Land Parkway, Suite 700  
Columbia, MD 21044  
Attn: Asset Management  
Fax: (410) 772-2630

**And to:** sshack@enterprisecommunity.com  
Attn: General Counsel

**And to:** Bocarsly Emden Cowan Esmail & Arndt LLP  
7700 Old Georgetown Road, Suite 600  
Bethesda, MD 20814  
Attn: Craig A. Emden, Esq.  
Fax: 301-654-4007

(d) **Successors; Assignment.** This Agreement is for the benefit of the Lenders and their respective successors and assigns, and not for the benefit of the Partnership. Any provision hereof may be waived or modified by agreement of the Lenders (or by any two or more of them, if the other(s) are unaffected thereby) without the consent of the Partnership and without affecting the priority of the liens and interests of the Lenders. The heirs, administrators, assigns and successors-in-interest of the Parties shall be bound by this Agreement. This Agreement

may be assigned by a Party only as a part of an assignment of such Party's loan documents described in this Agreement.

(e) **Amendment.** This Agreement may be amended only by a 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.

(f) **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.

(g) **Completion of Recording Information.** If this Agreement is signed without completion of certain recording information called for above, any title insurance company acting on the instructions of any Party is hereby authorized to insert such information prior to recording this Agreement.

(h) **Consent to Other Parties' Loan Documents.** By executing this Agreement, each Party hereby acknowledges and consents to the execution of, and, where appropriate, the recording of, the documents described in Recitals A through G herein.

*[Signature Pages Follow]*

IN WITNESS WHEREOF, the undersigned has entered into this Agreement as of the day and year first written above.

**COMMISSION:**

IN WITNESS WHEREOF, the Parties hereto have entered into this Agreement as of the day and year first written above.

**COMMISSION:**

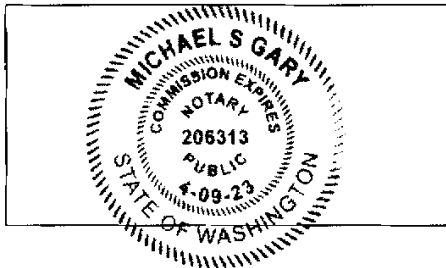
**WASHINGTON STATE HOUSING FINANCE COMMISSION,**  
a public body corporate and politic of the State of Washington

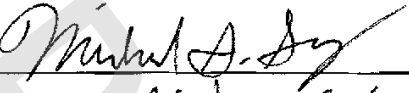
By:   
Name: Steve Walker  
Title: Executive Director

STATE OF WASHINGTON )  
  ) ss.  
COUNTY OF KING )

I certify that I know or have satisfactory evidence that Steve Walker, is the person who appeared before me and said person acknowledged that (s)he signed this instrument, on oath stated that (s)he was authorized to execute the instrument and acknowledged it as the Executive Director of the **Washington State Housing Finance Commission**, a public body corporate and politic of the State of Washington, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED: 10-12-2021



  
Print Name: Michael S. Gary  
Residing at: Pierce County  
My appointment expires: April 9, 2023



IN WITNESS WHEREOF, the undersigned has entered into this Agreement as of the day and year first written above.

**WASHINGTON STATE DEPARTMENT OF COMMERCE,**  
a department of the State of Washington


By:   
Name: Diane Klontz  
Title: Assistant Director, Community Services  
and Housing Division

STATE OF WASHINGTON |  
COUNTY OF THURSTON | ss.

I certify that I know or have satisfactory evidence that Diane Klontz is the person who appeared before me, and said person acknowledged that said person signed this instrument, on oath stated that said person was authorized to execute the instrument and acknowledged it as the Assistant Director of the Community Services and Housing Division of the **WASHINGTON STATE DEPARTMENT OF COMMERCE**, a department of the state of Washington, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

In Witness Whereof I have hereunto set my hand and affixed my official seal the \_\_\_ day of October 19, 2021.



  
Print Name: Cam S Ho  
Residing at: Olympia  
My appointment expires: 7/26/2025

IN WITNESS WHEREOF, the undersigned has entered into this Agreement as of the day and year first written above.

GRANTEE: SKAGIT COUNTY

By: Trisha Logue  
Signature  
Trisha Logue, Skagit County Administrator

STATE OF WASHINGTON }  
COUNTY OF SKAGIT } ss.

I certify that I know or have satisfactory evidence that TRISHA LOGUE as the Administrator of SKAGIT COUNTY, a municipal corporation, is the person who appeared before me, and said person acknowledged that she signed this instrument and acknowledged it to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED this 19 day of October, 2021.



Katie Williams  
Notary Public  
Print name: Katie Williams  
Residing at: Skagit County  
My commission expires: 11-29-2023







**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 21st, 2021, UNDER RECORDING NO. 202110210093.