

AFTER RECORDING MAIL TO:

Name Housing Authority of Skagit County
Address 1650 Port Drive
City/State Burlington, WA 98233

Document Title(s):

1. Declaration of Covenants, Conditions, and Restrictions
(Capital Magnet Fund)

Reference Number(s) of Documents Assigned or released:

Grantor(s):

1. Housing Authority of Skagit Count Mount Vernon
Farmworker LLLP,
a Washington limited liability limited partnership
- 2.

[] Additional information on page of document

Grantee(s):

1. HumanGood Affordable Housing,
a California nonprofit public benefit corporation
 2. Housing Authority of Skagit County
- [] Additional information on page of document

Abbreviated Legal Description:

SW NW of Sec 15, Twp 34 N, R 4 E, WM

Tax Parcel Number(s):

P24832

[X] Complete legal description is on page Exhibit A of document

NCS-1009324

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**RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:**

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

**DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS
(Capital Magnet Fund)**

Grantor: Housing Authority of Skagit County Mount Vernon
Farmworker LLLP,
a Washington limited liability limited partnership

Grantee (Trustee): HumanGood Affordable Housing,
a California nonprofit public benefit corporation

Grantee (Beneficiary) Housing Authority of Skagit County

Abbreviated

THIS DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS (this "Declaration") is made as of December 15, 2022 by HOUSING AUTHORITY OF SKAGIT COUNTY MOUNT VERNON FARMWORKER LLLP a Washington limited liability limited partnership, whose address is 1650 Port Drive, Burlington, WA 98233 ("Grantor") for the benefit of HUMANGOOD AFFORDABLE HOUSING, a California nonprofit public benefit corporation, whose address is 1900 Huntington Drive, Duarte, CA 91010 ("Lender").

RECITALS

A. Grantor is a borrower of a loan ("Loan") made by Lender, in the principal amount of Five Hundred Thousand and 00/100 Dollars (\$500,000) to Grantor, pursuant to a loan agreement between Grantor and Lender dated of even date herewith (the "Loan Agreement"), in connection with the the development of fifty (50) units of affordable housing and one (1) manager's unit on the real property described in attached **Exhibit A** (such property, including all buildings and improvements now or in the future located thereon, the "Property").

B. Grantor is undertaking the construction on the Property of fifty (50) units of affordable housing, plus one (1) manager's unit comprised of ten (10) one bedroom units; twenty (20) two bedroom units; twenty (20) three bedroom units and one (1) two bedroom manager's unit. Thirty- eight (38) units are set aside for farmworkers and ther families and twelve (12) units are for special needs individuals.

C. Lender has funded the Loan with funds from the CMF (as defined below) program, which is subject to the federal statutes and regulations governing the CMF program, and administered by the U.S. Department of Treasury (the "Department") through its Community Development Financial Institutions Fund (the "CDFI"). Accordingly, Grantor has agreed that, upon completion of construction of the improvements on the Property, all of the Units will be designated for, made affordable to, and occupied by, households with incomes, which as an average, are not in excess of fifty percent (50%) of the Area Median Income (defined below). Grantor has further agreed that the Units, as designated above, shall remain continuously Affordable (as defined below), and shall be rented exclusively to Low-Income, Very Low-Income, and Extremely Low-Income households for the Affordability Period (as defined below).

NOW, THEREFORE, for and in consideration of the foregoing and the financial assistance provided by Lender, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, Grantor warrants and agrees that throughout the Affordability Period:

1. **RECITALS.** The recitals above are incorporated herein by reference.
2. **DEFINITIONS.** In addition to terms defined elsewhere in this Declaration, the following terms as used in this Declaration shall have the meanings specified below (such meanings to be equally applicable to both the singular and plural forms of the terms defined):
 - (a) "Affordability Period" means the period beginning on the date that is the later of (i) the date the Project has been Placed Into Service or (ii) the date of this Agreement, and includes the full ten (10) consecutive years thereafter, during which the Project must be Affordable to Low-Income, Very Low-Income, and Extremely Low-Income households, as more particularly prescribed in this Declaration, in accordance with the requirements set forth in 12 CFR Part 1807.400, et. seq.
 - (b) "Affordable" means gross rent limits determined under the provisions in Section 42(g)(2) of the Internal Revenue Code, and, consistent with the limitations set forth in 12 CFR Part 1807.401, et. seq., the maximum rent does not exceed:
 - (i) For an Eligible Income household, thirty percent (30%) of the annual income of a household whose annual income equals one hundred twenty percent (120%) of the Area Median Income, with adjustments for number of bedrooms in the Unit, as set forth in Section 42(g)(2) of the Internal Revenue Code. If the Unit or tenant receives Federal or State rental subsidy, and the household pays as a contribution towards rent not more than thirty percent (30%) of the household's income, the maximum rent (i.e. tenant contribution plus rental subsidy) is the rent allowable under the Federal or State rental subsidy program.
 - (ii) For a Low-Income household, thirty percent (30%) of the annual income of a household whose annual income equals eighty percent (80%) of the Area Median Income, with adjustments for number of bedrooms in the Unit, as set forth in Section 42(g)(2) of the Internal Revenue Code. If the Unit or

tenant receives Federal or State rental subsidy, and the household pays as a contribution towards rent not more than thirty percent (30%) of the household's income, the maximum rent (i.e. tenant contribution plus rental subsidy) is the rent allowable under the Federal or State rental subsidy program.

- (iii) For a Very-Low Income household, thirty percent (30%) of the annual income of a household whose annual income equals fifty percent (50%) of the Area Median Income, with adjustments for number of bedrooms in the Unit as described in Section 42(g)(2) of the Internal Revenue Code. If the Unit or tenant receives Federal or State rental subsidy, and the household pays a contribution towards rent not more than thirty percent (30%) of the household's income, the maximum rent (i.e. tenant contribution plus rental subsidy) is the rent allowable under the Federal or State rental subsidy program.
 - (iv) For an Extremely Low-Income household, thirty percent (30%) of the annual income of a household whose annual income equals thirty percent (30%) of the Area Median Income, with adjustments for number of bedrooms in the Unit as described in Section 42(g)(2) of the Internal Revenue Code. If the Unit or tenant receives Federal or State rental subsidy, and the household pays as a contribution toward rent not more than thirty percent (30%) of the household's rent, the maximum rent (i.e. tenant contribution plus rental subsidy) is the rent allowable under the Federal or State rental subsidy program.
- (c) "Area Median Income" means the area median income for a household in the County of Skagit, State of Washington, as set forth in the periodic calculation provided by HUD, adjusted for family size, as determined by HUD.
 - (d) "CMF" means the Capital Magnet Fund, a special account within the CDFI Fund of the Department, authorized by section 1131 of the Housing and Economic Recovery Act of 2008, as amended (Public Law 110-289) and implemented under 12 CFR Part 1807.
 - (e) "CFR" means the Code of Federal Regulations, as the same may be amended from time to time.
 - (f) "Eligible Income" means income not in excess of one hundred twenty percent (120%) of the Area Median Income.
 - (g) "Extremely Low-Income" means income not in excess of thirty percent (30%) of the Area Median Income, with adjustments for smaller and larger families, as determined by HUD, except that HUD may establish income ceilings higher or lower than thirty percent (30%) of the median for the Area on the basis of HUD findings that such

variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes.

- (h) "HUD" means the United States Department of Housing and Urban Development.
- (i) "Low-Income" means income not in excess of eighty percent (80%) of Area Median Income, with adjustments for smaller and larger families, as determined by HUD, except that HUD may establish income ceilings higher or lower than eighty percent (80%) of the median for the Area on the basis of HUD findings that such variations are necessary because of the prevailing levels of construction costs or fair market rents, or unusually high or low family incomes.
- (j) "Placed Into Service" at initial occupancy of the last Unit to be occupied within the Project, after Project Completion is achieved and the Property has obtained a certificate of occupancy, when such tenant has signed the lease, been given the keys, and has met all other conditions such that this last tenant has the right to move in to the Unit.
- (k) "Project" means the acquisition, development and construction of the Property, and the operation of the Building and the rental of the Units to Low-Income, Very Low-Income, and Extremely Low-Income households at Affordable rents during the Affordability Period.
- (l) "Project Completion" means, as defined under 12 CFR Part 1807.104, the date on which all of the following have been satisfied: (a) all necessary title transfer requirements and construction work have been performed; and (b) the Project complies with the following property standards requirements, which are maintained for a period of ten (10) years thereafter: (i) the Project meets all applicable state and local codes, Rehabilitation standards, ordinances, and zoning requirements at the time of Project Completion or, in the absence of a state or local building code, the International Residential Code or International Building Code (as applicable) of the International Code Council; (ii) the Project meets all applicable accessibility requirements set forth at 24 C.F.R. Part 8, which implements section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and Titles II and III of the Americans with Disabilities Act (42 U.S.C. 12131-12189) implemented at 28 C.F.R. Parts 35 and 36, as applicable; and Multi-Family Housing, as defined in 24 C.F.R. 100.201 meets all applicable design and construction requirements set forth in 24 C.F.R. 100.205, which implements the Fair Housing Act (42 U.S.C. 3601-3619), as applicable; (iii) the Project meets all applicable state and local codes, ordinances, or other disaster mitigation requirements (e.g. earthquake, hurricanes, flooding, wild fires), or other requirements as the Department of Housing and Urban Development has established in 24 C.F.R. Part 93; (iv) the Project meets all applicable lead-based paint requirements, including those set forth in 24 C.F.R. Part 35; (v) if and as applicable, all Rehabilitation (as such term is defined in 12 C.F.R. 1807) that is financed with the Loan proceeds, if the remaining useful life of one or more major systems is less than the ten (10)-year period of affordability, Grantor has established a replacement

reserve, into which Grantor deposits monthly payments in amounts adequate to repair or replace major systems (such as structural support, roofing, cladding, weatherproofing, plumbing, electrical, heating, ventilation, and air conditioning), as needed; and (vi) construction of all manufactured housing meets the Manufactured Home Construction and Safety Standards set forth in 24 C.F.R. Part 3280, which standards preempt state and local laws or codes, which are not identical to the federal standards for the new construction of manufactured housing; the installation of all manufactured housing units must comply with applicable state and local laws or codes, and in the absence of such laws or codes, the installation must comply with the manufacturer's written instructions for installation of manufactured housing units.

- (m) "Very Low-Income" means income not in excess of fifty percent (50%) of the Area Median Income, with adjustments for smaller and larger families, as determined by HUD, except that HUD may establish income ceilings higher or lower than fifty percent (50%) of the median for the Area on the basis of HUD findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes.
3. **PARTIES BOUND.** This Declaration shall be in full force and effect, and shall bind Grantor and any subsequent owner of the Property, and their respective successors, assigns, and transferees, and shall benefit Lender, and its successors, assigns, or transferees, for the full term of the Affordability Period, unless this Declaration is sooner released by Lender.
4. **THIRD-PARTY BENEFICIARY.** Grantor agrees that the Department, either through itself or the CDFI Fund, is and shall be an intended third party beneficiary of this Declaration, with full rights under this Declaration, including, in addition to any other rights it may have, the right to take direct action against Grantor and any subsequent owner of the Property, or their respective successors, assigns, and transferees, for the enforcement of this Declaration.
5. **LIMITATION ON LIABILITY.** Neither Lender nor the Department, either through itself or the CDFI Fund, shall be responsible for any costs or liabilities related to the conduct, operation, upkeep, or maintenance of the Property or the Project.
6. **RENTAL RESTRICTIONS.**
- (a) All Units shall be designated for, and rented to, exclusively to Very Low-Income and Extremely Low-Income households.
- (b) Not fewer than twenty five (25) Units shall be designated for, and rented to, Very Low-Income
- (c) Not fewer than twenty five (25) Units shall be designated for, and rented to and Extremely Low-Income households.

- (d) Prior to leasing a Unit to a Low-Income, Very Low-Income, and Extremely Low-Income household, Grantor shall verify household income level to the satisfaction of Lender, including, without limitation, by requiring each such household to: (i) submit certified copies of the prior year's federal and local tax returns; (ii) sign a notarized affidavit certifying the amount of total household income; (iii) submit recent pay stubs, current to within ninety (90) calendar days of the application for rental, showing the current total household income; and (iv) submit any other documentation to support either an increase or decrease in the total household income at the time of application.
- (e) The Units shall be Affordable for the entire Affordability Period.
- (f) Utility allowances and submetering rules shall be consistent with regulations concerning utility allowances and submetering in buildings that are subject to gross rent restrictions under Section 42(g)(2) of the Internal Revenue Code of 1986, as the same may be modified from time to time.
- (g) Grantor (or any subsequent owner) shall not refuse to lease any Unit to a Section 8 Program certificate or voucher holder (24 CFR Part 982, Section 8 Tenant-Based Assistance: Unified Rule for Tenant-Based Assistance under the Section 8 Rental Certificate Program and the Section 8 Rental Voucher Program) or to the holder of a comparable document evidencing participation in a HOME tenant-based rental assistance program because of the status of the prospective tenant as a holder of such certificate, voucher, or comparable HOME tenant-based assistance document.
- (h) Grantor shall ensure that prior to any increase in rent for any Unit, which rent shall remain Affordable at all times during the Affordability Period, tenants of such Units are provided with at least thirty (30) calendar days prior written notice before the implementation of such rent increase. Regardless of changes in annual rents and in median income over time, rents are not required to be lower than the rent limits in effect at the time the Project was first Placed Into Service.
- (i) Grantor shall examine and reexamine tenant income levels, which shall include income from all household members, for each year during the Affordability Period, and shall maintain records of Grantor's compliance with this clause (i). "Annual income", for determination as to whether a household is income-eligible, should be based on: (i) adjusted gross income as defined for purposes of reporting under Internal Revenue Service (IRS) Form 1040 series for individual Federal annual income tax purposes; or (ii) "annual income" as defined at 24 C.F.R. Part 5, Section 5.609; provided that in order to calculate adjusted income, exclusions from income set forth at 24 C.F.R. Part 5, Section 5.611 shall be applied.
- (j) Grantor shall promptly inform Lender if increases in incomes of existing tenants result in temporary noncompliance with the terms of the affordability restrictions under 12 C.F.R. Part 1807, et. seq., and the household income targets as set forth in this Declaration.

- (k) Grantor shall ensure that tenants whose incomes no longer qualify pay rent no greater than the lesser of the amount payable by the tenant under State or local law or thirty percent (30%) of the family's annual income, except that tenants of units that have been allocated low income housing tax credits by a housing credit agency pursuant to section 42 of the Internal Revenue Code of 1986, I.R.C. section 42, must pay rent governed by section 42. Tenants who no longer qualify as Eligible Income are not required to pay rent in excess of the market rent for comparable, unassisted units in the neighborhood.
- (l) If the income of a tenant in any Unit no longer qualifies (that is, such tenant's income exceeds one hundred twenty percent (120%) of the Area Median Income), Grantor shall fill the first available and each subsequent vacancy with a tenant that meets the affordability qualifications for the same income category of the original Unit as necessary to maintain compliance with this Declaration.
7. **REPORTS.** Grantor shall at all times maintain accurate books of account and records reflecting the operation of the Property and the Project, an updated rent roll, and household income certifications/verifications evidencing compliance with this Declaration.
8. **RECORDS.** Lender, the CDFI Fund, the Department, and any federal auditors and/or representatives of the CDFI Fund, the Department, Lender, or others so designated by Lender, the CDFI Fund or the Department, shall have the full and free access during reasonable business hours to Grantor's offices and all facilities and all books, documents, records, and financial statements relevant to the Project for a period of ten (10) years from the date the Project has been Placed into Service. Grantor shall maintain all records related to the Loan and the Project for a period of thirteen (13) years after the later of (i) the date the Project has been Placed Into Service, or (ii) the date of this Agreement.
9. **APPLICABLE LAWS.** Grantor shall comply with all applicable Federal, state, local, and tribal laws, regulations, ordinances, Office of Management and Budget (OMB) Circulars, Executive Orders, policies, guidelines and requirements, with regard to the operation of the Property and the Units, including but not limited to the requirement to maintain the Property and the Units in habitable condition and in compliance with all applicable building codes as may be amended from time to time. Further, Grantor shall comply with the requirements under 12 CFR Part 1807, et. seq., and any other guidelines, regulations, ordinances, and requirements governing the CMF program. Furthermore, Grantor shall comply with the CDFI Fund's Environmental Quality Regulations (12 C.F.R. Part 1815) as well as other applicable Federal environmental requirements. Pursuant to Executive Order 13717, Grantor shall also comply with all applicable earthquake-resistant design provisions of the 2015 editions of the International Building Code or the International Residential Code, nationally recognized building codes promulgated by the International Code Council ("ICC"), or equivalent ICC codes, and any new versions thereof. In the event that any term of this Declaration is deemed invalid and unenforceable, such term shall be stricken from this Declaration and all other terms shall remain valid, binding, and enforceable against the parties hereto.

Without limiting the generality of the above:

- (a) Grantor agrees to comply with the following requirements, as applicable: Title VI and Title VII of the Civil Rights Act of 1964, as amended by the Equal Opportunity Act of 1972 (prohibiting discrimination on the basis of race, color, or national origin), Title VIII of the Civil Rights Act of 1968 (42 U.S.C. 3601, *et. seq.*, as amended, relating to nondiscrimination in the sale, rental or financing of housing), Federal Executive Order 11246 and all rules and regulations by the Secretary of Labor in Section 201 of Executive Order 11246, the Federal Rehabilitation Act of 1973, as amended, the Vietnam Era Veteran's Readjustment Assistance Act of 1974, Title IX of the Education Amendments of 1972, as amended (20 U.S.C. 1681-1683, 1685-1696, prohibiting discrimination on the basis of sex), the Age Discrimination Act of 1975, as amended (42 U.S.C. 6101-6107, prohibiting discrimination on the basis of age), the Americans with Disabilities Act of 1990, the Drug Abuse Office and Treatment Act of 1972, as amended (P.L. 92-255, relating to nondiscrimination on the basis of drug abuse), the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970, as amended (P.L. 91-616, relating to nondiscrimination on the basis of alcohol abuse or alcoholism), Sections 523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. 290 dd-3 and 290 ee-3, as amended, relating to confidentiality of alcohol and drug abuse patient records), and any other nondiscrimination provisions in the specific statute(s) under which apply to the Project. Grantor agrees not to discriminate in its employment practices, and will carry out the Project without regard to race, color, religion, sex, national origin, sexual orientation, veteran status, political affiliation, or disabilities. Any act of discrimination committed by Grantor, or failure to comply with these statutory obligations when applicable, shall constitute an Event of Default under this Agreement.
- (b) Grantor agrees that no person in the United States shall on the grounds of race, color, national origin, disability, age, marital status, receipt of income from public assistance, religion, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available under Section 109 of the Housing and Community Development Act of 1974, as amended. Grantor shall comply with Section 109, which further provides that discrimination on the basis of age under the Age Discrimination Act of 1975 or with respect to an otherwise qualified handicapped individual as provided in Section 504 of the Rehabilitation Act of 1973, as amended, is prohibited.
- (c) Grantor shall also comply with the following:
- (i) Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646), which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result

of Federal or federally assisted programs. Such requirements shall apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases;

(ii) the Hatch Act (5 U.S.C. 1501-1508, 7324-7328), which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds;

(iii) the Davis-Bacon Act (40 U.S.C. 276a to 276a-7), the Copeland Act (40 U.S.C. 276c and 18 U.S.C. 874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-333), regarding labor standards for federally assisted construction contracts;

(iv) environmental standards which may be prescribed pursuant to the following: (1) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order 11514; (2) notification of violating facilities pursuant to Executive Order 11738; (3) protection of wetlands pursuant to Executive Order 11990; (4) evaluation of flood hazards in floodplains in accordance with Executive Order 11988; (5) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. 1451, et. seq.); (6) conformity of Federal actions to State implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended, (42 U.S.C. 7401, et. seq.); (7) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and (8) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205);

(v) the Wild and Scenic Rivers Act of 1968 (16 U.S.C. 1271, et. seq.), related to protecting components or potential components of the national wild and scenic rivers system;

(vi) Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. 470), Executive Order 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. 469a-1, et. seq.);

(vii) the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4801, et. seq.), which prohibits the use of lead-based paint in construction or rehabilitation of residence structures;

(viii) Section 106(g) of the Trafficking Victims Protection Act of 2000, as amended (22 U.S.C. 7104), which prohibits recipients of Federal funds from (i) engaging in severe forms of trafficking in persons during the period of time Grantor receives federal funds, (ii) procuring a commercial sex act during the period of time Grantor receives federal funds, or (iii) using forced labor in the performance of activities financed with federal funds.

10. **PROHIBITED TRANSACTIONS.** Grantor warrants that no person who is an employee, agent, consultant, officer, or elected or appointed official of the State of Washington or the Department, or of Grantor shall obtain a personal or financial benefit for him/herself, or for those with whom s/he has family or business ties, in connection with the rental of Units.
11. **REMEDY UPON DEFAULT.** In the event of a default of any of the warranties and agreements in this Declaration that remains uncured after thirty (30) days' notice by Lender to Grantor, Lender shall have all rights and remedies available to it at law and in equity, including, but not limited to, the right to seek specific performance. No delay or omission by Lender to exercise any right or remedy available under this Declaration or at law or in equity shall be construed as a continuing waiver by Lender or a waiver of Lender's rights, privileges, or remedies under this Declaration or at law or in equity.
12. **FORECLOSURE.** This Declaration shall terminate upon foreclosure or transfer in lieu of foreclosure of any deeds of trust or mortgages secured by the Property, including but not limited to that certain Leasehold Deed of Trust recorded under Recording number 20 2110210123 securing a loan in the amount of \$9,855,000 from Banner Bank. However, the affordability restrictions set forth herein shall be revived according to the original terms if, during the original Affordability Period, the owner of record of the Property before the foreclosure, or deed in lieu of foreclosure, or any entity that is an affiliate or owner of such former owner or with whom such former owner has or had family or business ties, obtains an ownership interest in the Project.
13. **TERMINATION OF DECLARATION.** Unless this Declaration has been released at an earlier date by Lender, this Declaration shall automatically terminate at the end of the Affordability Period.
14. **COMPLIANCE MONITORING.**
- (a) For each year during the Affordability Period, Grantor shall monitor and track all Units within the Project and shall:
- (i) Examine/reexamine tenants' incomes annually to determine if the family or household remains income eligible;
 - (ii) Verify and confirm that the utility allowances and submetering rules are consistent with regulations concerning utility allowances and submetering in buildings that are subject to gross rent restrictions under Section 42(g)(2) of the Internal Revenue Code, as the same may be amended from time to time.
 - (iii) Ensure that any increase in rents adheres to the rent limitations and notice requirements set forth in 12 CFR Part 1807.401(a) and (e);

- (iv) Provide to Lender annual certifications, in accordance with Section 7, above, pertaining to tenant income levels and monthly utility allowances, and any additional information and/or materials which may be reasonably requested by Lender, no later than seventy-five (75) calendar days after the end of the prior calendar year; and
 - (v) Promptly inform Lender of any noncompliance with the affordability requirements of this Declaration and 12 C.F.R. 1807, *et. seq.* and, if the noncompliance is due to the increase of a tenant's income such that the tenant's income is in excess of one hundred twenty percent (120%) of Area Median Income, Grantor shall fill the first available and each subsequent vacancy with a tenant that meets the affordability qualifications for the same income category of the original Unit as necessary to maintain compliance with this Declaration.
- (b) Grantor acknowledges that Lender (or Lender's designee) shall monitor Grantor's compliance with this Declaration on an annual basis. Grantor agrees to cooperate with Lender's annual monitoring requirements by supplying to Lender, or its designee, true and accurate renter information as required by Lender.
15. **NOTICES.** Notices required herein shall be deemed to have been given and received, three (3) business days after having been sent to the appropriate party listed below, by regular and certified mail, or one (1) business day after having been sent by messenger (with delivery receipt). The below addresses may be changed by written notice to the appropriate party.

To Grantee:

HumanGood Affordable Housing
 1900 Huntington Drive
 Duarte, CA 91010
 Attn: General Counsel

To Grantor: Notice. All notices to Maker shall be sent to:

Housing Authority of Skagit County Mount Vernon Farmworker LLLP
 c/o Housing Authority of Skagit County
 1650 Port Drive
 Burlington, Washington 98233
 Tel: 360-428-1959 Ext. 212
 Email: mcorey@skagitcountyha.org
 Attn: Melanie Corey, 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, Maryland 21044
Tel: (410) 964-0552; Fax: (410) 772-2630
Attention: Asset Management
Email: sshack@enterprisecommunity.com

With a copy to:

Craig A. Emden, Esq.
Bocarsly Emden Cowan Esmail & Arndt LLP
7700 Old Georgetown Road, Suite 600
Bethesda, MD 20814
Tel: (301) 634-0500; Fax: (301) 654-4007
Email: cemden@bocarsly.com
Fax No.: (301) 560-8906

16. **SUBSEQUENT PURCHASERS.** Upon any sale or conveyance of all or any portion of the Property, provided that Lender shall have consented to such sale or conveyance, the selling or conveying person or entity shall thereafter have no obligations or liabilities under this Declaration accruing after the date of such sale or conveyance with respect to the Property or portion of the Property sold or conveyed, and the purchaser at any such sale (or the party to whom any such conveyance is made) shall, by accepting title to the Property or portion of the Property, be deemed to have assumed the obligations of the selling or conveying person or entity as to the Property or portion of the Property so sold or conveyed arising after the date of such sale or conveyance. Grantor shall reference this Declaration in any conveyance document.

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SIGNATURE ON NEXT PAGE]

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

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.