

Attachment A

WHEN RECORDED, MAIL TO:

City of Bellevue
450 110th Avenue NE
PO Box 90012
Bellevue, WA 98009
ATTN.: Housing Planner-PCD

DOCUMENT TITLES

Amended and Restated Regulatory Agreement and Declaration of Restrictive Covenants

City: THE CITY OF BELLEVUE, a Washington municipal corporation
Owner: King County Housing Authority, a Washington municipal corporation

TAX ASSESSOR'S PARCEL NUMBER(S): Lot 1 222505-9364
TAX ASSESSOR'S PARCEL NUMBER(S): Lot 2 222505-9078

LEGAL DESCRIPTION

Lot 1, City of Bellevue Short Plat No. LN 99221553, recorded under recording number 20000104900019, in King County Washington, together with an easement for ingress and egress over Lot 2 of said short Plat, as delineated thereon.

Lot 2, City of Bellevue Short Plat No. LN 99221553, recorded under recording number 20000104900019, in King County Washington, together with an easement for ingress and egress over Lot 1 of said short Plat, as delineated thereon.

FINAL DRAFT

When Recorded Mail To:

City of Bellevue
450 110th Avenue NE
PO Box 90012
Bellevue, WA 98009
ATTN: Housing Planner-PCD

SOMERSET GARDENS, f/k/a KONA VILLAGE APARTMENTS

AMENDED AND RESTATED REGULATORY AGREEMENT

AND DECLARATION OF RESTRICTIVE COVENANTS

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"C"	CERTIFICATE OF HOUSEHOLD ELIGIBILITY
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AMENDED AND RESTATED
REGULATORY AGREEMENT AND DECLARATION
OF RESTRICTIVE COVENANTS

THIS AMENDED AND RESTATED REGULATORY AGREEMENT AND DECLARATION OF RESTRICTIVE COVENANTS (the "Agreement") is made and entered into as of this ____ day of _____, 2018, by and between the city of Bellevue, a Municipal Corporation of the State of Washington (hereinafter referred to as "City"); and the King County Housing Authority, a municipal corporation (the "Owner").

WITNESSETH:

A. This Agreement is predicated upon the following facts:

1) The Owner is the owner of property located at 14700 NE 29th Place, Bellevue, WA. Pursuant to the terms of a Regulatory Agreement and Declaration of Restrictive Covenants dated September 27, 1999 between the City and the Owner, and recorded as Document 20000204001352 in the King County Records (the "Original Regulatory Agreement"), Owner has developed said property by acquiring, repairing/rehabilitating and renting 198 rental units thereon. Owner desires to further rehabilitate said property and, subject to City approval and such other approvals by State and local agencies, as required, to adjust the number and mix of units and income levels as described herein (the "Project").

2) The Owner's Project shall include one hundred eighty-four (184) affordable rental units for Very Low, Low, Low/Moderate and Moderate Income Households (Eligible Households as the term is defined below). Such affordable rental units shall be of such bedroom size and quality as are in proportion to the overall proportion of bedroom sizes and quality of all of the rental units in the Project.

3) The City finds that the Owner's Project will benefit the City by providing rental housing for Eligible Households.

4) The Owner has indicated its willingness to accept certain conditions affecting the use of the Property. It is the purpose of this Agreement to amend and restate the conditions under which the City has approved the Project and the enforceable restrictions imposed on the use and occupancy of the rental portion of the Project by the Original Regulatory Agreement.

5) The terms and conditions of the Original Regulatory Agreement as hereby amended and restated shall continue and survive

the execution of this Agreement.

6) This Agreement is entered into pursuant to City Council action taken June 28, 1999 and on May 21, 2018.

NOW, THEREFORE, for and in consideration of the mutual promises aforesaid and made and relied upon by the parties hereto, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Owner and the City agree as follows:

SECTION 1 - DEFINITIONS AND INTERPRETATION

Capitalized terms used herein shall have the following meanings unless the context in which they are used clearly requires otherwise.

"Affordable Rents" means a monthly housing expense, including if applicable a Utility Allowance, which is no greater than 30% of the monthly median income for Eligible Households within the Seattle Metropolitan Statistical Area (Seattle MSA), as shown in the following chart, as adjusted for Household Size. The maximum Affordable Rents shall be adjusted no more than once every 12 months and such adjustment shall be by a factor equivalent to adjustments in the Seattle MSA Median Income.

Applicable Median Income Level	
Affordable Rent Level	
Very Low Income	30%
Low Income	50%
Low/Moderate Income	60%
Moderate Income	80% 60%

"Affordable Units" means the units in the Rental Project as selected by the Owner and as approved by the City and reserved for occupancy by Eligible Households pursuant to Section 3, adjusted for household size.

"City" means the City of Bellevue.

"Completion Date" means the date of the completion of the acquisition, construction, purchase, reconstruction and equipping, as the case may be, of the Project by the Owner.

"Designee" means A Regional Coalition for Housing ("ARCH") or such other agency as may be designated by the City in writing to the

Owner. The City shall notify the Owner of any determination not to utilize ARCH as its Designee for purposes of this designation.

"Eligible Household" means one or more adults and their dependents who certify that they meet the qualifications for eligibility set forth below in this definition, Section 3.F of this Agreement and as set forth in the Certificate of Household Eligibility attached hereto as Exhibit "C" and incorporated by reference herein, and who certify that their incomes do not exceed the applicable percent of the median household income for the Seattle MSA, as set forth in definition and Section 3.F of this Agreement, adjusted for household size, as published by the United States Department of Housing and Urban Development (HUD).

Maximum Percent of Median Income at Occupancy

Income Level	
Very Low Income	30%
Low Income	50%
Low-Moderate Income	60%
Moderate Income	80% 60%

"Household Income" means all income from all household members over the age of 18 (or emancipated minors) residing in the household. Income consists of those items listed in Exhibit C, Certificate of Household Eligibility (e.g. wages, interest income, etc). Income of dependents who reside within a household for less than four (4) months of the year will not be counted toward Household Income.

"Household Size" means the average household size assumed for purposes of calculating Affordable Rents as follows:

UNIT TYPE AVERAGE HOUSEHOLD SIZE

Studio	1 person
1 Bedroom	2 1.5 persons
2 Bedroom	3 persons
3 Bedroom	4.5 persons

"Investor" means a tax credit investor which is the limited partner of a limited liability partnership (or limited liability corporation as applicable) in which the Owner will be the general partner.

"Lender" means HUD/FHA, Veterans Administration ("VA"), Federal National Mortgage Association ("FNMA"), Federal Home Loan Mortgage Corporation ("FHLMC"), or another party acquiring such loan upon foreclosure of a deed of trust or mortgage ("Deed of Trust") insured, made or held by HUD/FHA, VA, FNMA, FHLMC or an institutional third-party lender or investor.

"Median Income" means the median income for the Seattle MSA as most recently determined by the Secretary of Housing and Urban Development under Section 8(f)(3) of the United States Housing Act of 1937, as amended, or if programs under said Section 8(f)(3) are terminated, median income determined under the method used by the Secretary prior to such termination.

"Owner" means King County Housing Authority, and its successors and assigns, which owns the fee interest in the Project Site and any surviving, resulting or transferee entity.

"Owner Representative" means the person or persons (who may be employees of the Owner) designated from time to time to act hereunder on behalf of the Owner in a written certification furnished to the City or its Designee, containing a specimen signature of such person or persons and signed by the Owner or on behalf of the Owner by a duly authorized representative of the Owner.

"Project" means the building, structures and other improvements on the Property, and all equipment, fixtures and other property owned by the Owner and located on, or used in connection with, such buildings, structures and other improvements and all functionally related and subordinate facilities.

"Property" means the real property upon which the Project has been constructed as more particularly described in Exhibit "A" which is attached hereto, and incorporated by reference herein, and all rights and appurtenances thereunto appertaining.

"Qualified Project Period" means for 50 years from the effective date of the Original Regulatory Agreement, of which approximately 31 years currently remain.

"Regulatory Agreement or Agreement" means this Amended and Restated Regulatory Agreement and Declaration of Restrictive Covenants between the City and the Owner.

"Section 8 Household" means one or more adults and their dependents who are eligible for and receiving Federal certificates

for rent subsidies pursuant to the existing HUD program under Section 8.

"Utility Allowance" means that portion of housing expenses for utilities. Therefore, Affordable Rents are calculated assuming payment of all utilities (not including phone or television cable) by the Owner. In the event gas and/or electric utilities, used for purposes of heating, cooking and/or lighting, are paid directly by the tenant, then the monthly Affordable Rent, unless otherwise agreed to by the Owner City or Designee Staff will be reduced by the following allowance: the King County Housing Authority utility allowance; actual utility costs or energy model; or by the ARCH utility allowance:

The ARCH utility allowance schedule at time of this Agreement is:

Studio	\$45
One Bedroom	\$68
Two Bedroom	\$91
Three Bedroom	\$114

The base year for these allowance figures is 2017. The allowance figures will be adjusted annually based on changes in the Consumer Price Index-U.S. Cities Average- All Urban Consumers. If water, garbage or sewage are paid for directly by the tenant, the affordable rent levels will be reduced by the typical cost to the tenant of such utilities, or a set allowance established by the City or its Designee.

Notwithstanding anything to the contrary contained in this Agreement, if the Project is at any time encumbered by a Regulatory and Extended Use Agreement in connection with the Low-Income Housing Tax Credit ("LIHTC") program, a utility allowance otherwise calculated in accordance with the terms of such LIHTC Regulatory and Extended Use Agreement shall be an allowable Utility Allowance pursuant to this Agreement.

SECTION 2 - RESIDENTIAL RENTAL PROPERTY

A. General Description. The Project has been acquired and initially repaired/rehabilitated for purposes of providing multi-family rental housing for Eligible Households and the Owner shall own, manage and operate (or cause the management and operation of) the Rental Project as development to provide multiple family rental housing comprised of a building or structure or several inter-related buildings or structures, each consisting of more than one dwelling unit and facilities functionally related and subordinate thereto, and no other facilities. As used herein facilities

functionally related and subordinate to the Project shall include facilities for use by the tenants, including, for example, swimming pools, other recreational facilities, parking areas (other than covered parking), and other facilities which are reasonably required for the Project, for example, heating and cooling equipment, trash disposal equipment or units of resident managers or maintenance personnel.

B. Similar Quality Construction. All of the dwelling units in the Project shall be constructed of similar quality, and each dwelling unit in the Project shall contain facilities for living, sleeping, eating, cooking and sanitation for a single person or a household which are complete, separate and distinct from other dwelling units in the Project and will include a sleeping area, separate bathing facility, and a cooking range, refrigerator and sink.

C. Conversion to Condominium. In the event the Project is proposed for conversion to condominium, owner-occupied, or non-rental residential use, the Owner must submit to the City for its approval a plan for preserving the Affordable Units. The City can consider options which would convert the Affordable Units to owner occupancy by Low/Moderate and Moderate-Income Households. This section does not waive the Owner's obligations to comply with any other law or regulations pertaining to conversion to ownership use.

SECTION 3 - AFFORDABLE UNITS FOR ELIGIBLE HOUSEHOLDS

A. Number of Affordable Units. All of the dwelling units in the Project shall be leased or rented, or available for lease or rental, to the general public and the Owner shall designate one hundred eighty-four (184) of the completed dwelling units as Affordable units, reserved for occupancy by Eligible Households, and two Common Area (manager) units with no affordability requirements, as follows:

Bedroom Size					
Median Income Level	Studio	1	2	3	Total
Very Low Income 0-30%		2	0	6	8
Low Income 31-50%		64	8	6	78
Low-Moderate Income 51-60%		35	6	9	50
Moderate Income		35	4	9	48

61-80%					
Common Area (manager) Units			2		2
Total		136	20	30	186

Households receiving HUD Section 8 assistance or similar rental assistance shall be permitted to occupy Affordable Units.

B. Designation/Redesignation of Affordable Units. Prior to issuance of a Building Permit, the Owner shall submit to the City or its Designee for the City's approval a certificate in writing of such designation of Affordable Units. The Affordable Units designated for Very Low Income, Low Income and Low-Moderate Income Eligible Households shall have substantially the same equipment and amenities as the Affordable Units in the Project designated for the Moderate Income Eligible Households. The Affordable Units for Very Low Income, Low Income and Low-Moderate Income Eligible Households shall be intermingled with all other dwelling units and shall be of a unit mix comparable to the overall mix of units in the Project. The City or its Designee shall base its approval or disapproval of the proposed Affordable Units upon the criteria set forth in this section.

The Owner, from time to time, may propose to change the affordability levels of particular units declared as Affordable Units provided that at all times all one hundred eighty four (184) of the residential units shall continue to be designated as Affordable Units, and the project shall retain the same unit mix of Very Low Income, Low Income, Low-Moderate Income and Moderate Income Affordable Units as designated in paragraph 'A' of this section. The Owner shall notify the City or its Designee of the proposed change in writing for the City's or its Designee's approval. The City or its Designee will review the proposed changes and shall base its approval or disapproval of the proposed changes based upon the criteria set forth in this section.

C. Affordable Units Rent Level. The monthly rent for the Affordable Units occupied by Eligible Households shall not exceed the applicable Affordable Rents, and for each specific tenant, shall be adjusted no more than once every twelve (12) months, and in no event within the first twelve (12) months of occupancy, unless the tenant is participating in a federal, state or local rental assistance program in which case the monthly rent paid by the tenant shall be set in the amount and at the times required by such program.

D. Renting Affordable Units to Eligible Households. During the Qualified Project Period, the Owner shall rent or lease the

Affordable Units to Eligible Households and, if at any time the Owner is unable to rent or lease the Affordable Units, the Affordable Units shall remain vacant pending rental or lease to Section 8 or Eligible Households.

E. Equal Access to Common Facilities. Tenants in the Affordable Units shall have equal access to enjoyment of all common facilities of the Project.

F. Qualifying Eligible Household Income for Affordable Units at Initial Occupancy and Recertification. Qualifying Eligible Household Income at time of occupancy may not exceed the applicable percent of Seattle MSA median income set forth in the chart below, adjusted for Household Size. At time of annual recertification, a household will remain eligible for an Affordable Unit as long as Household Income does not exceed the applicable percent of median income, adjusted for household size or the household continues to receive Section 8 assistance. In the event, at the time of recertification, Household Income exceeds the maximum recertification income limit for the income level they initially qualified for and the household does not receive Section 8 assistance; then the Household must within 90 days either: if qualified pay rent affordable to Low Income, Low-Moderate Income or Moderate Income Households and the next available comparable unit must be rented to an applicable Eligible Household, or vacate the unit, unless otherwise prohibited under binding restrictions imposed by Project financing, such as the provisions of Section 42 of the federal Internal Revenue Code, the regulations promulgated thereunder or other applicable law or regulation, to make it available for a qualified Eligible or Section 8 Household.

Maximum permitted Income Levels		
Eligible Households	Maximum Initial Income	Maximum Recertification Income
Very Low Income 0-30%	30%	50%
Low Income 31-50%	50%	70%
Low-Moderate Income 51-60%	60%	85%
Moderate Income 61-80%	80%	100%

G. Household Size Limits for Affordable Units. The Owner shall utilize the following occupancy standards for Affordable Units unless otherwise required by law or regulation, including without limitation, the federal Fair Housing Act:

Unit Size

Household Size

Studio	1-2 persons
1 Bedroom	1-3 persons
2 Bedroom	2-5 persons
3 Bedroom	3-7 persons

H. No Preference to Any Class or Group. The Owner shall not give preference to any particular class or group in renting the dwelling units in the Project, except to the extent that dwelling units are required to be occupied by Eligible Households and as otherwise provided for in this Section.

SECTION 4 - REPORTING REQUIREMENTS

A. Notice of Occupancy Permit. Within thirty (30) days of issuance of any occupancy permits, the Owner shall notify the City's Planning and Community Development Department (Attn: Housing Planner) or its Designee, of receipt, of an occupancy permit.

B. City Mailing List. The City maintains a mailing list of households interested in occupying Affordable Units. From time to time the City or its Designee, will provide to the Owner the names of persons from the City's mailing list. In determining which eligible applicants shall be rented Affordable Units, the Owner shall, subject to Section 4.C below, reasonably consider persons on the City's mailing list, and when they were placed on the City's mailing list.

C. Completion of Certificate of Household Eligibility. Prior to allowing any household to occupy any Affordable Unit, the Owner shall require the prospective tenant to complete a Certificate of Household Eligibility that shall be substantially in the form set forth in Exhibit C. The Owner shall also undertake a good faith effort to verify the applicant's Household Income, as reported on the completed Certificate. The Owner's obligation to verify the reported Household Income shall be limited to requesting copies of and reviewing the applicant's federal income tax returns, unless the Owner has actual knowledge, or reason to believe, that the information provided by the applicant is materially inaccurate. In the event federal income tax returns are not available, Household Income shall be verified by wage or salary statements, or other income records that the City or its Designee may consider appropriate. In the event a household is receiving Section 8 assistance, the requirements of this Section 4.C and Section 4.D of this Agreement can be met through providing documentation associated with complying with the Section 8 program.

D. Annual Recertification of Residents. On an annual basis, the Owner shall require all households occupying an Affordable Unit to complete and return to the Owner an updated Certificate of Household Eligibility. The Owner shall undertake a good faith effort to verify the reported Household Income, as reported in the completed Certificate. The Owner's obligation to verify the Household Income shall be limited to obtaining a copy of and reviewing the tenant's federal income tax return, unless the Owner has actual knowledge or reason to believe that the information provided by the household is materially inaccurate. In the event federal income tax returns are not available, Household Income shall be verified by wage or salary statements, or other income records that the City or its Designee may consider appropriate. If the Project is subject to a LIHTC Regulatory and Extended Use Agreement, annual recertification requirements conducted in accordance with a LIHTC Regulatory and Extended Use Agreement shall satisfy the requirements of this section.

Such certifications shall be filed with the City, by attachment to the Annual Project Certification required pursuant to Section 4.E and are subject to independent investigation and verification by the City or its Designee.

E. Annual Project Certification. During the term of the Regulatory Agreement, such certification shall be filed annually on or before January 31 and shall set forth the required information for the preceding year.

F. Maintain Complete Records. The Owner shall maintain complete and accurate records pertaining to the Affordable Units, and shall permit any duly authorized representative of the City including its Designee to inspect the books and records of the Owner pertaining to the incomes of Eligible and Section 8 Households residing in the Project. Failure to maintain such records, or failure to allow examination by the City or its duly authorized representative shall constitute a default hereunder.

G. Forms of Certification. Notwithstanding anything in this Section to the contrary, all documentation required by this Section shall be submitted on the forms designated herein as such forms may be modified by the City or its Designee from time to time. Changes to forms by the City or its Designee shall not significantly enlarge the Owner's obligations hereunder.

H. Annual Reporting Requirements. The Agency shall submit to the City or its Designee annual monitoring reports for the Project in a form and content specified by the Washington State Housing

Finance Commission (Combined Funders Annual Reporting System or any replacement system) or the City or its Designee, and shall be submitted annually for the remainder of the Qualified Project Period. The City or its Designee will use the monitoring reports to determine compliance with affordability and other provisions of the Agreement. The annual reports will be due by June 30th of each year and will be the basis for verification of the continued affordability of the units and documentation of service to the eligible client group(s). Such annual monitoring report includes the Project's annual operating expenses and cash flow.

SECTION 5 - SECTION 8 CERTIFICATE HOLDERS

A. The Owner shall accept as tenants for Affordable Units, on the same basis as all other prospective households, households who are recipients of Federal certificates for rent subsidies pursuant to the existing program under Section 8. The Owner shall not apply, or permit the application of, management policies or lease provisions with respect to the Project which have the effect of precluding occupancy of Units by holders of Section 8 certificates.

SECTION 6 - LEASE PROVISIONS

A. It is the Owner's responsibility to screen and select tenants for desirability and credit worthiness. Such selection is within the Owner's discretion. If written management policies exist, or exist in the future, with respect to the Project, the City or its Designee may review such written policies and may require changes in such policies, if necessary, so that they comply with the requirements of this Agreement.

B. All leases for Eligible Households shall contain clauses wherein each individual lessee: (i) certifies the accuracy of the statements made in the Certificate of Household Eligibility, (ii) agrees that the household income and other eligibility requirements shall be deemed substantial and material obligations of the tenancy, and (iii) agrees that misrepresentation in the certification is a material breach of the lease, entitling the Owner to terminate the lease for the Affordable Unit.

SECTION 7 - SALE OR TRANSFER OF THE PROJECT

The City acknowledges that, from time to time, a portion of financing necessary to rehabilitate the Project and keep it in good repair through the life of this Agreement may come from Low Income Housing Tax Credits which will require that the Owner

transfer a leasehold interest in the Project to a limited partnership in which the Owner will be the general partner and the Investor will be a limited partner. Except for such leasehold transfer and except for any transfer that returns all of such partnership interests to Owner. Owner hereby covenants and agrees not to sell, transfer or otherwise dispose of the Project or any portion thereof without first providing a written notice from the purchaser stating that the purchaser understands, and will comply with the Owner's duties and obligations under this Agreement. Such notice must be received by the City or its Designee at least 30 days prior to the close of escrow.

SECTION 8 - TERM

This Amended and Restated Regulatory Agreement becomes effective upon its execution and delivery, and this Agreement shall continue in full force and effect, as amended and restated, throughout the Qualified Project Period.

SECTION 9 - NO DISCRIMINATION

The Owner shall not discriminate on the basis of race, creed, religion, color, sex, sexual orientation, age, national origin, marital status, or presence of any mental or physical handicap as set forth in RCW 49.60.030, as now existing and as may be amended, in the lease, use, or occupancy of the Project or in connection with the employment or application for employment of persons for the operation and management of the Project.

SECTION 10 - COVENANTS RUN WITH LAND

The City and Owner hereby declare their understanding and intent that the covenants, conditions and restrictions set forth herein continue to directly benefit the land (i) by enhancing and increasing the enjoyment and use of the Project by certain Eligible Households, and (ii) by furthering the public purposes of providing housing for Eligible Households.

The City and the Owner hereby declare that the covenants and conditions contained herein shall bind and the benefits shall inure to, respectively, the Owner and their successors and assigns and all subsequent owners of the Project or any interest therein, and the City and its successors and assigns, all for the Qualified Project Period. Each and every contract, deed or other instrument hereafter executed conveying the Project or any portion thereof or interest therein shall contain an express provision making such conveyance subject to the covenants and conditions of this Agreement, provided however, that any such contract, deed or other

instrument shall conclusively be held to have been executed, delivered and accepted subject to such covenants and conditions, regardless of whether or not such covenants and conditions are set forth or incorporated by reference in such contract, deed or other instrument.

SECTION 11 - ENFORCEMENT

A. Enforcement Provisions. The Owner shall exercise reasonable diligence to comply with the requirements of this Agreement and shall correct any such noncompliance within sixty (60) days after such noncompliance is first discovered by the Owner or would have been discovered by the exercise of reasonable diligence, or within 60 days after the Owner receives notice of such noncompliance from the City or its Designee; provided however, that such period for correction may be extended by the City if the Owner is exercising due diligence to correct the noncompliance. If such noncompliance remains uncured after such period, then the Owner shall be in default and the City on its own behalf may take any one or more of the following steps:

1) By any suit, action or proceeding at law or in equity, require the Owner to perform its obligations under this Regulatory Agreement, or enjoin any acts or things which may be unlawful or in violation of the rights of the City hereunder; it being recognized that the beneficiaries of the Owner's obligations hereunder cannot be adequately compensated by monetary damages in the event of the Owner's default;

2) Have access to, and inspect, examine and make copies of, all books and records of the Owner pertaining to the Project. Provided, however, the City shall not divulge such information to any third party unless required by law or unless the same is necessary to enforce the City's rights hereunder; and

3) Take such other action at law or in equity as may appear necessary or desirable to enforce the obligations, covenants, conditions and agreements of the Owner under this Regulatory Agreement.

B. Hold Harmless. The Owner hereby agrees to pay, indemnify and hold the City or any other party authorized hereunder to enforce the terms of this Regulatory Agreement harmless from any and all costs, expenses and fees, including all attorneys' fees which may be incurred by the City or any other party in enforcing or attempting to enforce this Regulatory Agreement following any

default hereunder on the part of the Owner or its successors, whether the same shall be enforced by suit or otherwise; together with all costs, fees and expenses which may be incurred in connection with any amendment to this Regulatory Agreement or otherwise by the City at the request of the Owner.

SECTION 12 - INTENTIONALLY OMITTED

SECTION 13 - ESTOPPEL CERTIFICATE

The City or its Designee agrees, upon the request of the Owner or its successor in interest, to promptly execute and deliver to the Owner or its successor in interest or to any potential or actual purchaser, mortgagor or encumbrance of the Project, a written certificate stating, if such is true, that the City or its Designee has no knowledge of any violation or default by the Owner of any of the covenants or conditions of this Agreement, or if there are such violations or defaults, the nature of the same.

SECTION 14 - AGREEMENT TO RECORD

The Owner shall cause this Regulatory Agreement to be recorded in the real property records of King County, Washington. The Owner shall pay all fees and charges incurred in connection with such recording and shall provide the City with a copy of the recorded document.

SECTION 15 - RELIANCE

The City and the Owner hereby recognize and agree that the representations and covenants set forth herein may be relied upon by the City and the Owner. In performing its duties and obligations hereunder, the City may rely upon statements and certificates of the Owner and Eligible Households, and upon audits of the books and records of the Owner pertaining to occupancy of the Project. In performing its duties hereunder, the Owner may rely on the Certificates of Tenant Eligibility unless the Owner has actual knowledge or reason to believe that such Certificates are inaccurate.

SECTION 16 - GOVERNING LAW

This Regulatory Agreement shall be governed by the laws of the State of Washington, except to the extent such laws conflict with the laws of the United States or the regulations of federally insured depository institutions, or would restrict activities otherwise permitted in relation to the operation of federally

insured depository institutions.

SECTION 17 - NO CONFLICT WITH OTHER DOCUMENTS

The Owner warrants that except as provided below, it has not executed and will not execute, any other agreement with provisions contradictory to, or in opposition to, the provisions hereof, and that in any event the requirements of the Regulatory Agreement are paramount and controlling as to the rights and obligations herein set forth and supersede any other requirements in conflict herewith, except that when the Project is subject to a LIHTC Regulatory and Extended Use Agreement the terms of such LIHTC shall take precedence over conflicting requirements in this Agreement. The parties agree that in order to provide safe, decent and affordable housing to Eligible Households through the term of this Agreement, the Owner may participate in additional programs to secure adequate funding to ensure the Project remains in good repair. To that end, if such programs involve provisions contradictory to, or in opposition to, the provisions hereof, the parties shall work together in good faith to identify such conflicts and shall seek to identify alternative provisions that work to preserve the overall intent of this Agreement. Any amendments shall be consistent with Section 18.

SECTION 18 - AMENDMENTS

This Regulatory Agreement shall be amended only by a written instrument executed by the parties hereto or their respective successors in title, and duly recorded in the real property records of King County, Washington. Amendments to Exhibit B shall be considered to be approved in writing when the revised Exhibit B is signed by the Owner and the City and/or its Designee without the need for a further written document attaching the revised exhibit and striking prior versions of the exhibit. In the event of conflict between versions of Exhibits B, the version maintained by the City or its Designee as the then-current version, signed by Owner and City or its Designee, shall prevail.

SECTION 19 - NOTICE

Any notice or communication hereunder, except legal notices, shall be in writing and may be given by registered or certified mail. The notice or communication shall be deemed to have been given and received when deposited in the United States Mail, properly addressed with postage prepaid. If given otherwise, it shall be

deemed to be given when delivered to and received by the party to whom addressed. Whenever the Agreement refers to the Administering Agency or Designee, any related notices shall be provided to both the Administering Agency and the Designee. Such notices and communications shall be given to the parties hereto at their following addresses:

If to the City:

City of Bellevue
450 110th Avenue NE
PO Box 90012
Bellevue, WA 98009
Attn: Housing Planner

With a copy to the Designee

A Regional Coalition for Housing (ARCH)
16225 NE 87th Street, Suite A-3
Redmond, WA 98052
Attn: Housing Planner

If to the Owner:

King County Housing Authority
600 Andover Park West
Tukwila, WA 98188
Attn: Executive Director

SECTION 20- SEVERABILITY

If any provision of the Regulatory Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

SECTION 21 - CONSTRUCTION

Unless the context clearly requires otherwise, words of the masculine, feminine or neuter gender shall be construed to include each other gender when appropriate and words of the singular number shall be construed to include the plural number, and vice versa, when appropriate. All the terms and provisions hereof shall be construed to effectuate the purposes set forth in this Agreement and to sustain the validity hereof.

SECTION 22 - TITLES AND HEADINGS

The titles and headings of the sections of this Agreement have been inserted for convenience of reference only, are not to be considered a part hereof and shall not in any way modify or

restrict any of the terms or provisions hereof or be considered or given any effect in the construing this document or any provision hereof or in ascertaining intent, if any question of intent shall arise.

IN WITNESS WHEREOF, the Owner and City have each executed the Regulatory Agreement and Declaration of Restrictive Covenants on the Date first above written.

Owners:

King County Housing Authority

Name/Its:

City:

City of Bellevue

By _____
Mary Kate Berens, Deputy City Manager

Approved as to form:

Lori M. Riordan, City Attorney

By: _____
Catherine Drews
Asst. City Attorney
City of Bellevue