

AFTER RECORDING RETURN TO:

Washington State Department of Commerce
Multifamily Housing Unit
1011 Plum Street SE
Post Office Box 42525
Olympia, Washington 98504-2525

Attention: MHU Contracts/Fiscal - HPP

**FIRST AMENDMENT TO AMENDED AND RESTATED
PRIORITY AND SUBORDINATION AGREEMENT**

- Grantors:**
1. **WELLS FARGO & CO.**, a Delaware corporation
 2. **HOUSING AUTHORITY OF THE COUNTY OF KING**
 3. **KING COUNTY**, a Washington municipal corporation
 4. **DEPARTMENT OF COMMERCE**, a state agency of the State of Washington
 5. **CITY OF BELLEVUE**, a Washington municipal corporation
 6. **CITY OF KIRKLAND**, a Washington municipal corporation
 7. **CITY OF MERCER ISLAND**, a Washington municipal corporation
 8. **CITY OF KENMORE**, a Washington municipal corporation
 9. **CITY OF ISSAQUAH**, a Washington municipal corporation
 10. **280 CLARK LIMITED PARTNERSHIP**, a Washington limited partnership
 11. **IMAGINE HOUSING**, a Washington nonprofit corporation

- Grantees:**
1. **WELLS FARGO & CO.**, a Delaware corporation
 2. **HOUSING AUTHORITY OF THE COUNTY OF KING**
 3. **KING COUNTY**, a Washington municipal corporation
 4. **DEPARTMENT OF COMMERCE**, a state agency of the State of Washington
 5. **CITY OF BELLEVUE**, a Washington municipal corporation
 6. **CITY OF KIRKLAND**, a Washington municipal corporation
 7. **CITY OF MERCER ISLAND**, a Washington municipal corporation
 8. **CITY OF KENMORE**, a Washington municipal corporation
 9. **CITY OF ISSAQUAH**, a Washington municipal corporation
 10. **IMAGINE HOUSING**, a Washington nonprofit corporation

Abbrev. Legal: PTN NE NE STR 33-24-6

Tax Parcel No: 332406-9059

Reference Numbers: A&R Priority and Subordination Agreement 20090220000474
Covenant _____
Deed of Trust _____
Assignment, Assumption and Consent _____

THIS FIRST AMENDMENT TO AMENDED AND RESTATED PRIORITY AND SUBORDINATION AGREEMENT (“Amendment”) is made as of _____, 2024 by and among **WELLS FARGO & CO.**, a Delaware corporation (“Series A Bondholder”); **HOUSING AUTHORITY OF THE COUNTY OF KING** (“KCHA”); the **DEPARTMENT OF COMMERCE**, or its successor agency, an agency of the State of Washington (formerly known as the **WASHINGTON STATE DEPARTMENT OF COMMUNITY, TRADE, AND ECONOMIC DEVELOPMENT**) (“Commerce”); **KING COUNTY**, a Washington municipal corporation (“County”); **CITY OF BELLEVUE**, a Washington municipal corporation (“Bellevue”); **CITY OF KIRKLAND**, a Washington municipal corporation (“Kirkland”); **CITY OF MERCER ISLAND**, a Washington municipal corporation (“Mercer Island”); **CITY OF KENMORE**, a Washington municipal corporation (“Kenmore”); **CITY OF ISSAQUAH**, a Washington municipal corporation (“Issaquah”); **IMAGINE HOUSING**, a Washington nonprofit corporation (formerly known as **ST. ANDREW’S HOUSING GROUP**) (“Imagine”) (all of the preceding parties are collectively, “Lenders”); and **280 CLARK LIMITED PARTNERSHIP**, a Washington limited partnership (“Owner”). Commerce, County, Bellevue, Kirkland, Mercer Island, Kenmore and Issaquah are collectively referred to herein as the “Subordinate Lenders”.

This Amendment is made with respect to that certain Amended and Restated Priority and Subordination Agreement between the Lenders and Owner dated April 25, 2008 and recorded under King County recording number 20090220000474 (the “Original Agreement”). All terms with an initial capitalized letter not defined herein shall have the meanings set forth in the Original Agreement. All references to “State” as a defined term in the Original Agreement shall deemed to be references to Commerce in the Original Agreement and all references to “SAHG” as a defined term in the Original Agreement shall deemed to be references to Imagine in the Original Agreement. Prior to the date of this Amendment, the Series B Loan was repaid and the Series B Deed of Trust was reconveyed.

This Amendment is made with reference to the following facts:

RECITALS

Commerce’s Interest – HPP Award. Commerce and Imagine entered into a Capital Funding Contract 23P-94115-020 with respect to the Washington State Housing Trust Fund Program Housing Preservation Program (the “Commerce Contract”). Pursuant to the Commerce Contract, Imagine executed a Promissory Note in the principal amount of \$1,000,000 in favor of Commerce (the “Commerce Note”). The rights and obligations under the Commerce Contract and Commerce Note were assigned by Imagine to Owner and the Owner assumed the same, with the consent of Commerce, by way of an Assignment, Assumption and Consent Agreement executed by Imagine, Owner and Commerce under King County recording number _____ (the “Commerce Assignment”). The Commerce Note is secured by that certain Deed of Trust, executed by the Owner naming Chicago Title Company of Washington as trustee, and recorded under King County recording number _____ (the “Commerce Deed of Trust”). In addition, in connection with the Commerce Contract, the Owner executed that certain Low Income Housing

Covenant Agreement recorded under King County recording number _____ (the “Commerce Covenant”). All documents identified in this subparagraph, and any documents executed by Commerce and/or the Owner in connection therewith, as the same may be assigned, amended, modified, restated and/or supplemented from time to time, are collectively referred to as the “Commerce HPP Documents”. References to the “Commerce Deed of Trust” include all modifications, extensions, renewals or replacements of the Commerce Deed of Trust.

Definitions. The Commerce Deed of Trust, together with the deeds of trust described in Paragraphs C through M of the Original Agreement, shall be referred to collectively hereinafter as the “Deeds of Trust.” The Commerce Covenant, together with the covenants described in Paragraphs B through K of the Original Agreement shall be referred to collectively hereinafter as the “Covenants”.

Purpose. The parties wish to enter into this Amendment in order to establish the rights and priorities of Commerce with respect to the Commerce HPP Documents and the Mortgaged 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:

Priorities. Regardless of the time each party’s interest in the Mortgaged Property was or shall be created or recorded, the Commerce Covenant shall be second in priority, following the first priority position of the State Covenant in the Original Agreement. The Commerce Deed of Trust shall be fourteenth in priority (thirteenth in the Original Agreement), following the twelfth priority position of the State Deed of Trust in the Original Agreement.

Refinance. Each Subordinate Lender agrees that its liens, rights and interests pursuant to its respective Loan Documents shall retain their relative priority and be subject to the same limitations set forth in the Original Agreement in the event of any refinancing upon maturity of the Series A Loan (without regard to the source/lender of any such refinancing) provided that the principal amount of any obligation incurred in connection with such refinancing does not exceed: (a) one hundred percent (100%) of the then outstanding principal loan amount under the Series A Loan plus ordinary and customary refinancing fees and costs actually incurred, or (b) such higher amount to the extent necessary to refinance the Series A Loan and to achieve a 1.15:1.0 Debt Service Coverage Requirement, as defined in the Series A Bond Documents. It is the intention of the Lenders that no further priority agreements or subordination agreements shall be required to establish such lien priority; however, the Lenders acknowledge and agree that to the extent such subordination or priority agreements are required by such refinance lender in order to provide the refinance lender with the same lien position as identified herein, the Lenders shall execute a subordination agreement substantially in the form of the Original Agreement or such other reasonable subordination agreement agreed to by the

Lenders and Owner provided that such agreement contains reasonable rights to notice and opportunity to cure defaults of such loan to the Subordinate Lenders.

Continuing Effect. Except as otherwise provided herein, the Original Agreement shall continue in full force and effect.

[Signatures on following pages.]

IN WITNESS WHEREOF, the parties hereto have entered into this First Amendment to Amended and Restated Priority and Subordination Agreement as of the day and year first above written.

WELLS FARGO & CO.,
a Delaware corporation

By: _____
Name: _____
Title: _____

Wells Fargo & Co.
MAC A0112-144
14th Floor
550 California Street
San Francisco, CA 94104-1004

WELLS FARGO & CO. ACKNOWLEDGMENT

STATE OF _____ |
COUNTY OF _____ | ss.

I certify that I know or have satisfactory evidence that _____ 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 _____ of WELLS FARGO & CO., a Delaware corporation, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated this _____ day of _____, 2024.

(Signature of Notary)

(Legibly Print or Stamp Name of Notary)

Notary public in and for the state of Washington,
residing at _____
My appointment expires _____

HOUSING AUTHORITY OF THE
COUNTY OF KING

By: _____
Name: _____
Title: _____

Housing Authority of the County of King
600 Andover Park W.
Tukwila, WA 98188

HOUSING AUTHORITY OF THE COUNTY OF KING ACKNOWLEDGMENT

STATE OF WASHINGTON |
COUNTY OF KING | ss.

I certify that I know or have satisfactory evidence that _____ 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 _____ of HOUSING AUTHORITY OF THE COUNTY OF KING, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated this ____ day of _____, 2024.

(Signature of Notary)

(Legibly Print or Stamp Name of Notary)

Notary public in and for the state of Washington, residing
at _____

My appointment expires _____

KING COUNTY,
a Washington municipal corporation

By: _____
Name: _____
Title: _____

King County
Housing and Community Development Program
401 – 4th Avenue, Suite 510
Seattle, WA 98104

KING COUNTY ACKNOWLEDGMENT

STATE OF WASHINGTON |
 | ss.
COUNTY OF KING |

I certify that I know or have satisfactory evidence that _____ 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 _____ of KING COUNTY, a municipal corporation 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 this _____ day of _____, 2024.

(Signature of Notary)

(Legibly Print or Stamp Name of Notary)

Notary public in and for the state of Washington, residing at _____

My appointment expires _____

DEPARTMENT OF COMMERCE, an agency of the
State of Washington

By: _____
Corina Grigoras, Assistant Director, Housing
Division

Washington State Department of Commerce
Multifamily Housing Unit
1011 Plum Street SE
Post Office Box 42525
Olympia, Washington 98504-2525

COMMERCE ACKNOWLEDGMENT

STATE OF WASHINGTON |
 | ss.
COUNTY OF THURSTON |

I certify that I know or have satisfactory evidence that Corina Grigoras 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, Housing Division of DEPARTMENT OF COMMERCE, an agency 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 this _____ day of _____, 2024.

(Signature of Notary)

(Legibly Print or Stamp Name of Notary)

Notary public in and for the state of Washington, residing
at _____
My appointment expires _____

CITY OF BELLEVUE,
a Washington municipal corporation

By: _____
Name: _____
Title: _____

City of Bellevue
c/o A Regional Coalition for Housing (ARCH)
16305 NE 87th Street, Suite 119
Redmond, WA 98052
Attn: Executive Director

CITY OF BELLEVUE ACKNOWLEDGMENT

STATE OF WASHINGTON |
 | ss.
COUNTY OF KING

I certify that I know or have satisfactory evidence that _____ 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 _____ of CITY OF BELLEVUE, a municipal corporation 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 this _____ day of _____, 2024.

(Signature of Notary)

(Legibly Print or Stamp Name of Notary)

Notary public in and for the state of Washington, residing at _____
My appointment expires _____

CITY OF ISSAQUAH,
a Washington municipal corporation

By: _____
Name: _____
Title: _____

Planning Department--Housing Planner
City of Issaquah
P.O. Box 1307
Issaquah, WA 98027

CITY OF ISSAQUAH ACKNOWLEDGMENT

STATE OF WASHINGTON |
COUNTY OF KING | ss.

I certify that I know or have satisfactory evidence that _____ 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 _____ of CITY OF ISSAQUAH, a municipal corporation 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 this _____ day of _____, 2024.

(Signature of Notary)

(Legibly Print or Stamp Name of Notary)

Notary public in and for the state of Washington, residing at _____
My appointment expires _____

CITY OF KIRKLAND,
a Washington municipal corporation

By: _____
Name: _____
Title: _____

City of Kirkland
123 – 5th Avenue
Kirkland, WA 98033
Attn: Planning Department

CITY OF KIRKLAND ACKNOWLEDGMENT

STATE OF WASHINGTON

ss.

COUNTY OF KING

I certify that I know or have satisfactory evidence that _____ 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 _____ of CITY OF KIRKLAND, a municipal corporation 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 this ____ day of _____, 2024.

(Signature of Notary)

(Legibly Print or Stamp Name of Notary)

Notary public in and for the state of Washington, residing
at _____
My appointment expires _____

CITY OF KENMORE,
a Washington municipal corporation

By: _____
Name: _____
Title: _____

City of Kenmore
6700 NE 181st Street
Kenmore, WA 98028
Attn: Planning Director

CITY OF KENMORE ACKNOWLEDGMENT

STATE OF WASHINGTON |
 | ss.
COUNTY OF KING

I certify that I know or have satisfactory evidence that _____ 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 _____ of CITY OF KENMORE, a municipal corporation 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 this _____ day of _____, 2024.

(Signature of Notary)

(Legibly Print or Stamp Name of Notary)

Notary public in and for the state of Washington, residing
at _____
My appointment expires _____

CITY OF MERCER ISLAND,
a Washington municipal corporation

By: _____
Name: _____
Title: _____

City of Mercer Island
9611 SE 36th Street
Mercer Island, WA 98040
Attn: City Attorney

CITY OF MERCER ISLAND ACKNOWLEDGMENT

STATE OF WASHINGTON |
COUNTY OF KING | ss.

I certify that I know or have satisfactory evidence that _____ 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 _____ of CITY OF MERCER ISLAND, a municipal corporation 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 this _____ day of _____, 2024.

(Signature of Notary)

(Legibly Print or Stamp Name of Notary)

Notary public in and for the state of Washington, residing
at _____
My appointment expires _____

IMAGINE HOUSING, a Washington nonprofit corporation

By: _____
Yichuan Zhao, Executive Director

Imagine Housing
1722 138th PI NE
Bellevue, Washington 98005-2367
Attn: Executive Director

SAHG ACKNOWLEDGMENT

STATE OF WASHINGTON |
COUNTY OF KING | ss.

I certify that I know or have satisfactory evidence that Yichuan Zhao 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 Executive Director of IMAGINE HOUSING, a Washington nonprofit corporation that executed the within and foregoing instrument, to be the free and voluntary act of such nonprofit corporation for the uses and purposes mentioned in the instrument.

Dated this _____ day of _____, 2024.

(Signature of Notary)

(Legibly Print or Stamp Name of Notary)

Notary public in and for the state of Washington,
residing at _____
My appointment expires _____

280 CLARK LIMITED PARTNERSHIP,
a Washington limited partnership

By: Ruby LLC, a Washington limited liability
company, its General Partner

By: Imagine Housing, a Washington
nonprofit corporation, its Sole Member

By: _____
Yichuan Zhao, Executive Director

OWNER ACKNOWLEDGMENT

STATE OF WASHINGTON |
 | ss.
COUNTY OF KING

I certify that I know or have satisfactory evidence that Yichuan Zhao 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 Executive Director of IMAGINE HOUSING, a Washington nonprofit corporation which is the sole member of RUBY LLC, a Washington limited liability company, which is the General Partner of 280 CLARK LIMITED PARTNERSHIP, the Washington limited partnership that executed the within and foregoing instrument, to be the free and voluntary act of such nonprofit corporation and such partnership for the uses and purposes mentioned in the instrument.

Dated this ____ day of _____, 2024.

(Signature of Notary)

(Legibly Print or Stamp Name of Notary)

Notary public in and for the state of Washington,
residing at _____
My appointment expires _____

**EXHIBIT A
LEGAL DESCRIPTIONS**

THAT PORTION OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 33, TOWNSHIP 24 NORTH, RANGE 6 EAST, WILLAMETTE MERIDIAN, IN KING COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 33;
THENCE ALONG THE WEST LINE OF SAID NORTHEAST QUARTER OF THE NORTHEAST QUARTER SOUTH 0124'15" WEST, A DISTANCE OF 568.22 FEET TO THE TRUE POINT OF BEGINNING;
THENCE CONTINUING ALONG SAID WEST LINE SOUTH 0124'15" WEST, A DISTANCE OF 297.50 FEET TO A LINE LYING 40 FEET NORTHERLY AND PARALLEL WITH THE NORTH LINE OF A TRACT OF LAND CONVEYED TO W.C. JENKS BY DEED RECORDED IN VOLUME 1661 OF DEEDS, PAGE 581, UNDER RECORDING NO. 2879012, IN KING COUNTY, WASHINGTON;
THENCE ALONG SAID PARALLEL LINE SOUTH 8854'25" EAST, 265.00 FEET;
THENCE PARALLEL WITH THE WEST LINE OF SAID NORTHEAST QUARTER OF THE NORTHEAST QUARTER NORTH 0124'15" EAST, 297.50 FEET;
THENCE NORTH 8854'25" WEST, 265.00 FEET TO THE TRUE POINT OF BEGINNING.