

After recording return to:
Central Puget Sound Regional Transit Authority
401 S. Jackson Street
Seattle, Washington 98104
Attn: Mara D'Angelo, Senior Project Manager

AFFORDABLE HOUSING COVENANT

GRANTOR: THE CITY OF SEATTLE, a Washington municipal corporation

GRANTEE: CENTRAL PUGET SOUND REGIONAL TRANSIT
AUTHORITY, a Washington regional transit authority

Abbreviated Legal Description:

Full legal on Exhibit A

Assessor's Property Tax Parcel Account Number(s):

AFFORDABLE HOUSING COVENANT

THIS AFFORDABLE HOUSING COVENANT (this “Affordable Housing Covenant” or “Covenant”) is entered into by and between THE CITY OF SEATTLE, a Washington municipal corporation, by and through the Office of Housing (“Grantor”) and the CENTRAL PUGET SOUND REGIONAL TRANSIT AUTHORITY, a Washington regional transit authority (“Grantee” or “Sound Transit”), collectively referred to herein as the “Parties,” with reference to the following facts:

RECITALS

A. Sound Transit is a regional transit authority of the State of Washington created pursuant to RCW chapter 81.104 and 81.112 with all powers necessary to implement a high capacity transit system within its boundaries.

B. Pursuant to RCW 81.112.350 Sound Transit has additional power to further equitable transit oriented development goals by disposing of surplus property to qualified entities on the express condition that such property is developed and operated as affordable housing consistent with the requirements of RCW 81.112.350.

C. Grantor and Grantee entered into a Real Property Transfer Agreement dated as of _____, 2021 (the “Real Property Transfer Agreement”), pursuant to which Sound Transit agreed to convey the real property described on **Exhibit A** attached hereto and incorporated herein (the “Property”), on the terms and conditions contained therein for the purpose of the creation and maintenance of affordable housing pursuant to RCW 81.112.350.

D. Sound Transit’s agreement to convey the Property is conditioned upon the conveyance being subject to the restrictive covenants described herein. This Affordable Housing Covenant is executed and recorded along with the Quit Claim Deed (the “Deed”) of the same date.

E. The Parties are entering into this Affordable Housing Covenant for the benefit of Sound Transit and Sound Transit’s significant interests in land adjacent to and in the vicinity of the Property.

F. It is the intent of the Parties that the conveyance of the Property to Grantor to develop affordable housing thereon pursuant to the terms and conditions set forth in the Real Property Transfer Agreement and this Covenant will (i) provide public benefit and promote the public welfare, (ii) provide affordable housing in close proximity to existing transit facilities, (iii) support transit ridership thereby decreasing traffic congestion and improving air quality for the region, and (iv) comply with the requirements of RCW 81.112.350.

NOW, THEREFORE, in consideration of the foregoing recitals, the covenants set forth herein, and other good and valuable consideration, the receipt and sufficiency are hereby acknowledged, the Parties agree as follows:

AGREEMENT

1. Incorporation of Recitals. Each recital set forth above is incorporated into this Covenant.

2. Property to be Used for Affordable Housing. Grantor covenants and agrees the Property shall be used for the development, construction, use and operation of affordable housing that meets the following minimum criteria: The housing units on the Property shall be exclusively for lease or sale to residents whose Household Annual Income based on household size at the time of initial occupancy does not exceed 80% of Area Median Income (“Income Eligible Occupants”). Grantor shall be responsible for determining each applicant’s qualification as an Income Eligible Occupant. For purposes of this Affordable Housing Covenant, the definition and calculation of “Income Eligible Occupants,” “Household Annual Income” and “Area Median Income” shall be determined by using area median income, adjusted for household size, for King County. Area median income for King County shall be determined using the Department of Housing and Urban Development’s (HUD’s) calculation for King County median family income, which currently is based on the “Seattle-Bellevue, WA HUD Metro Fair Market Rent (FMR) Area.” If, at any point in the future, HUD no longer estimates median income for the Seattle-Bellevue, WA HUD Metro FMR Area, the Parties shall agree on a comparable figure reported by a local, state, or federal agency to be used instead. Resale restricted homes must be restricted by a ground lease, covenant, or other recorded document, in a form approved by Grantor, requiring that homes will be sold to Income Eligible Occupants at a sales price that is likely to be affordable to Income Eligible Occupants. Grantor shall be responsible for enforcing the terms of such recorded document.

3. Compliance with Legal Requirements. In the implementation of this Covenant, Grantor shall comply with all Fair Housing Laws and applicable nondiscrimination laws of the United States, the State of Washington, and The City of Seattle, including but not limited to Chapter 14.08 of the Seattle Municipal Code.

4. Term. This Covenant shall take effect upon recording in the real property records of King County, Washington and shall remain in effect for a term of 50 years.

5. Covenant to Run with the Land. This Covenant shall be recorded in the real property records of King County, Washington and shall be a covenant running with the land. This Covenant shall be binding on Grantor and any subsequent purchaser, mortgagee, lender, lessee, or any other person for so long as Grantor or any subsequent entity or person may have any right, title or interest in the Property, so long as this Covenant shall remain in effect. This Covenant shall not be subordinated to the lien of any mortgage, deed of trust, or other encumbrance on any interest in the Property unless Sound Transit expressly consents to such subordination in a written instrument properly executed, acknowledged and recorded.

6. Enforcement of Terms. The benefits of this Covenant shall inure to and may be enforced by Sound Transit or its successors and assigns. This Covenant is not intended, and shall not be construed, to create a duty or obligation of Sound Transit to enforce any term or provision of the Covenant at the request of or for the benefit of any person, and no former, present, or

prospective resident or any other person, firm, governmental entity, organization, or entity shall have a cause of action hereunder.

7. Defaults; Remedies. Failure to perform any provision of this Covenant shall constitute a default if the failure to perform is not cured within 90 days after written notice of such default has been given by Sound Transit. If the default cannot reasonably be cured within 90 days after notice, then Grantor shall not be in default if it commences to cure the default within such 90-day period and thereafter diligently prosecutes such cure to completion. Sound Transit shall be entitled to all remedies in law or equity, including without limitation the right to compel specific performance or restrain by injunction the actual or threatened commission or attempt of a breach of this Covenant and to obtain a judgment or order specifically prohibiting a violation or breach of this Covenant.

8. Delay. No delay in enforcing the provisions of this Covenant as to any breach or violation shall impair, delay or waive the right of Sound Transit to enforce the same or obtain relief against or recover the continuation or repetition of such breach or violation or any other breach or violation thereof at any later time or times.

9. Severability. If any provision of this Covenant shall be found to be invalid, illegal, or unenforceable, the validity, legality, or enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

10. Amendments. This Covenant 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.

11. Attorneys' Fees. Grantor hereby agrees to pay Sound Transit all costs, expenses and fees, including all reasonable attorneys' fees that may be incurred by Sound Transit in enforcing or attempting to enforce this Covenant following an event of default on the part of Grantor or any of Grantor's successor or assigns. The obligations of Grantor under this Section 11 shall survive any termination or expiration of this Covenant until all sums due have been paid in full.

12. Governing Law; Jurisdiction. This Covenant shall be governed by the laws of the State of Washington, and jurisdiction of any action concerning this Covenant shall lie exclusively in King County Superior Court.

13. No Conflict with Other Documents. The Parties agree they have not executed and will not execute any other agreements with provisions contradictory to or in opposition to the provisions contained in this Covenant and that in any event the requirements of this Covenant are paramount and controlling as to the rights and obligations set forth herein and supersede any other requirements in conflict herewith.

14. Fair Construction. The provisions of this Covenant shall be construed as a whole according to their common meaning not strictly for or against any Party and consistent with the provisions contained herein in order to achieve the objectives and purposes of this Covenant. Each Party hereto has reviewed and revised this Covenant with the assistance of its legal counsel.

15. Successors and Assigns. This Covenant shall be binding upon and inure to the benefit of Grantor and Grantee and their respective successors and assigns.

16. Counterparts. This Covenant may be executed in counterparts and each such counterpart shall for all purposes be deemed to be an original and together shall constitute one and the same instrument.

[Signatures on following page]

IN WITNESS WHEREOF, the Parties have executed this Covenant on the later date set forth below.

GRANTOR:

THE CITY OF SEATTLE, a Washington municipal corporation, by and through the Office of Housing

By: _____

Name: _____

Title: _____

Date: _____

GRANTEE:

CENTRAL PUGET SOUND REGIONAL TRANSIT AUTHORITY, a Washington regional transit authority

By: _____

Name: _____

Title: _____

Date: _____

Approved as to form:

Sound Transit legal counsel

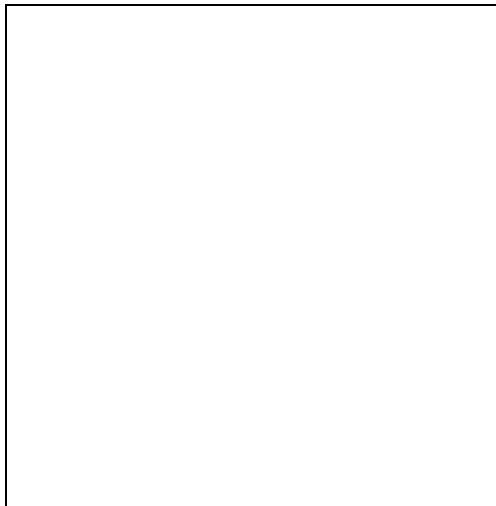
STATE OF WASHINGTON)

) 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 The City of Seattle, a Washington municipal corporation, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: _____



(Use this space for notarial stamp/seal)

(Signature of Notary)

(Legibly Print or Stamp Name of Notary)

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

My appointment expires _____

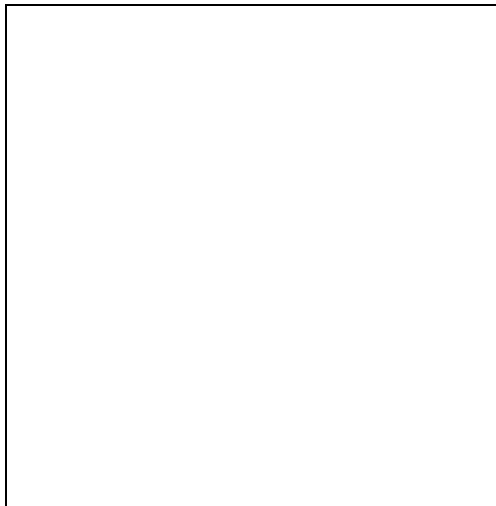
STATE OF WASHINGTON)

) 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 the Central Puget Sound Regional Transit Authority, a Washington regional transit authority, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: _____



(Use this space for notarial stamp/seal)

(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 Description of the Property