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JERRY MCINTURFF
SKAGIT COUNTY AUDITOR

When Recorded Return To:

'94 JUL 28 P3:40

The Washington State Department
of Community, Trade and Economic Development
Housing Assistance Program
906 Columbia Street SW
P.O. Box 48300
Olympia, Washington 98504-8300

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RECORDED _____ FILED _____
REQUEST OF _____

Attention: Gary Hunter, Program Officer
T-74632

LAND TITLE COMPANY OF SKAGIT COUNTY

LOW INCOME HOUSING COVENANT AGREEMENT

This Low Income Housing Covenant Agreement ("Covenant Agreement") is made by Skagit Youth Services, ("Recipient") and is part of the consideration for the financial assistance provided by the Department of Community, Trade and Economic Development, a department of the State of Washington ("Department"), to Skagit Youth Services pursuant to a Housing Assistance Program Agreement, Contract Number 5-94-491-19A ("Contract"), for the acquisition and rehabilitation of real property ("Property") legally described as follows:

See Attached legal description

This Covenant Agreement will be filed and recorded in the official public land records of Skagit County, Washington and shall constitute a restriction upon the use of the property described herein, subject to and in accordance with the terms of this Covenant Agreement, for Fifty (50) years following the date of initial residential occupancy of the Property.

The covenants contained herein are to be taken and construed as covenants running with the land and shall pass to and be binding upon the Recipient, his successors and assigns heirs, grantees, or lessors of the Property, beginning on the date of initial residential occupancy after the acquisition and rehabilitation of the Property contemplated by the Contract. Each and every contract, deed or other instrument covering or conveying the Property, or any portion thereof, shall be conclusively held to have been executed, delivered and accepted subject to such covenants, regardless of whether such covenants are set forth in such contract, deed, or other instruments.

NOW, THEREFORE, it is hereby covenanted, for the Fifty (50) years following the date of initial residential occupancy of the project after the acquisition and rehabilitation of the Property contemplated by the Contract, as follows:

1. The residential units in the Property will be rented to tenants with gross annual household incomes at the time of initial occupancy no higher than Thirty Percent (30%) of the median income in Skagit County, Washington, adjusted for family size, as estimated from time to time by the United States Department of Housing and Urban Development ("HUD"). If HUD ceases to provide such estimates of median income, then median income shall mean such comparable figure for Skagit County, Washington published or reported by a federal, state, or local agency as the Department shall select.

2. The Recipient will provide safe and sanitary housing, and will comply with all State and local housing codes, licensing requirements, and other requirements regarding the condition of the structure and the operation of the project in the jurisdiction in which the housing is located.

3. The Recipient will keep any records and make any reports relating to compliance with this covenant that the Department may reasonably require.

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4. **DEFAULT:** If a violation of any of the foregoing covenant occurs, the Department may, after thirty days notice to the Recipient, institute and prosecute any proceeding at law or equity to abate, default the loan, prevent, or enjoin any such violation or to compel specific performance by the Recipient of its obligations hereunder; provided that, the Recipient shall not be required by any provision herein to evict a residential tenant. No delay in enforcing the provisions hereof as to any breach or violation shall impair, damage, or waive the right of any party entitled to enforce the provisions hereof or to obtain relief against or recover for the continuation or repetition of such breach or violations or any similar breach or violation hereof at any later time.

IN WITNESS HEREOF, Skagit Youth Services has executed this Covenant Agreement on the 20th day of July, 1994.

WITNESS:

Skagit Youth Services

BY: Pamela S. Barnes
Skagit Youth Services

STATE OF WASHINGTON)
) ss.
COUNTY OF Skagit)

On this day personally appeared before me, Pamela S. Barnes, known to be the President, of Skagit Youth Services, the corporation that executed the within instrument and acknowledged the said instrument to be the free and voluntary act and deed of said corporation for the uses and purposes therein mentioned and on oath stated that he was authorized to execute the same.

GIVEN under my hand and official seal this 20th day of July, 1994.

Candace M. Taylor
Notary Public in and for the
State of Washington, residing at
Mount Vernon
My commission expires 1/1/97
Candace M. Taylor

EXHIBIT "A"

The North 1/2 of Lot 16, EXCEPT the South 2 feet thereof, and all of Lots 17, 18, 19 and 20, Block 20, "VERNON HEIGHTS ADDITION TO MT. VERNON, SKAGIT CO., WASH.", as per plat recorded in Volume 2 of Plats, page 108, records of Skagit County, Washington.

Situate in the City of Mount Vernon, County of Skagit, State of Washington.