

When Recorded Return To:

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

Attention: Doug Hunter

LAND TITLE COMPANY OF SKAGIT COUNTY
T 80323

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KATHY HILL
SKAGIT

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REQUEST OF -----

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LOW INCOME HOUSING COVENANT AGREEMENT

This Low Income Housing Covenant Agreement ("Covenant Agreement") is made by Skagit Housing Solutions ("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 Housing Solutions pursuant to a HOME Investment Partnership Program Agreement, Contract Number 95-419-007 ("Contract"), for the New Construction of real property ("Property") legally described as follows:

SYNDICATE add to La Conner Lots 6-10 Block 6 and;

SEE ATTACHED FOR
LEGAL DESCRIPTION

Beginning at the NE corner of Block 4, "MAP OF SYNDICATE ADDITION TO THE TOWN OF LA CONNER, SKAGIT CO., WASH.", per plat recorded in Volume 2 of Plats, page 109, records of Skagit County, Washington; thence Westerly along the Northerly line of said Block 205 feet; thence Southerly to a point on the South line of said Block 4, which is 103 feet West from the Southeast corner of said Block; thence Easterly 103 feet to the Southeast corner of said Block 4; thence Northerly along the East line of said Block 4 to the point of beginning, the said description including all of Lots 12 and 13 and parts of Lots 10, 11, 14, and 15, all in Block 4, "MAP OF SYNDICATE ADDITION TO THE TOWN OF LA CONNER, SKAGIT CO., WASH." Situated in the Town of La Conner, County of Skagit, State of Washington. and;

SYNDICATE add to La Conner Lots 6-15 Block 5.

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 Sixty (60) 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 lessees of the Property, beginning on the date of initial residential occupancy after the New Construction 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 Sixty (60) years following the date of initial residential occupancy of the project after the New Construction 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 Fifty Percent (50%) of the median income in Skagit County, Washington, adjusted for family size, as estimated from time to time by the United States Department of

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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.

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 Housing Solutions has executed this Covenant Agreement on the 7th day of October, 1996.

WITNESS:

Skagit Housing Solutions

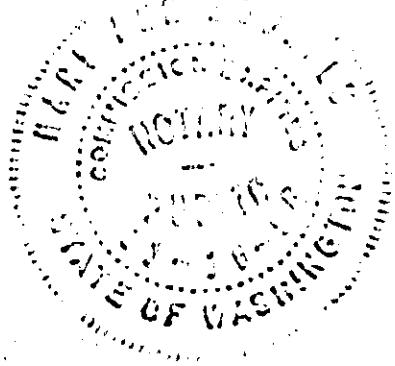
BY: Linda E. Pettit
Skagit Housing Solutions

STATE OF WASHINGTON)
) ss.
COUNTY OF SKAGIT)

On this day personally appeared before me, LINDA E. PETTIT, known to be the President, of Skagit Housing Solutions, 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 7th day of October, 1996.

Mary Ann Edwards
Notary Public in and for the
State of Washington, residing at
La Conner



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Schedule "A-1"

T-80323

DESCRIPTION:

PARCEL "A":

Lots 6 through 15, inclusive, Block 5, "MAP OF SYNDICATE ADDITION TO THE TOWN OF LA CONNER, SKAGIT CO., WASH.", as per plat recorded in Volume 2 of Plats, page 109, records of Skagit County, Washington.

Situate in the Town of La Conner, County of Skagit, State of Washington.

PARCEL "B":

Lots 6 to 10, inclusive, Block 6, "MAP OF SYNDICATE ADDITION TO THE TOWN OF LA CONNER, SKAGIT CO., WASH.", as per plat recorded in Volume 2 of Plats, page 109, records of Skagit County, Washington.

Situate in the Town of La Conner, County of Skagit, State of Washington.

PARCEL "C":

A tract of land described as follows:

Beginning at the Northeast corner of Block 4, "MAP OF SYNDICATE ADDITION TO THE TOWN OF LA CONNER, SKAGIT CO., WASH.", as per plat recorded in Volume 2 of Plats, page 109, records of Skagit County, Washington;
thence Westerly along the Northerly line of said Block, 205 feet;
thence Southerly to a point on the South line of said Block 4, which is 103 feet West from the Southeast corner of said Block;
thence Easterly 103 feet to the Southeast corner of said Block 4;
thence Northerly along the East line of said Block 4 to the point of beginning, the said description including all of Lots 12 and 13 and parts of Lots 10, 11, 14 and 15, all in Block 4, "MAP OF SYNDICATE ADDITION TO THE TOWN OF LA CONNER, SKAGIT CO., WASH.".

Situate in the Town of La Conner, County of Skagit, State of Washington.

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Schedule "A-1"

T-80323

DESCRIPTION CONTINUED:

PARCEL "D":

That portion of Orchard Street bounded on the North by Lot Nos. 6 through 10, Block 6, "SYNDICATE ADDITION TO LA CONNER", on the East by the Westerly right-of-way of Park Street; on the South by Lot Nos. 11 through 15, Block 5, "SYNDICATE ADDITION TO LA CONNER"; on the West by a line drawn between the Westerly line of Lot 6, Block 6 and the Westerly line of Lot 15, Block 5.

That portion of Garden Street bounded on the North by Lot Nos. 6 through 10, Block 5, "SYNDICATE ADDITION TO LA CONNER"; on the East by the Westerly right-of-way of Park Street; on the South by the Easterly 40.4 feet of Lot No. 10 and Lots 11 through 13, Block 4, "SYNDICATE ADDITION TO LA CONNER"; on the West by a line drawn between a point which is 205 feet East of the Northeasterly point of Block 4 and a point which is 205 feet east of the Southeasterly point of Block 5.

Situate in the County of Skagit, State of Washington.

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