

When Recorded Return To:

Washington State Department of Community,
Trade and Economic Development
Housing Trust Fund
906 Columbia Street Southwest
Post Office Box 42525
Olympia, Washington 98504-2525



200412170108

Skagit County Auditor

12/17/2004 Page 1 of 4 11:44AM

Attention: Deanna Tabor 360 725-2976

LAND TITLE OF SKAGIT COUNTY

114498-PA

LOW INCOME HOUSING COVENANT AGREEMENT

Grantor (Borrower): The Wilson Hotel Housing LLC
Grantee (Lender): Department of Community, Trade and Economic Development
Assessor's Tax Parcel ID#: P55087
Legal Description (abbreviated): ANACORTES, LOTS 1,2,3, AND 4; EXCEPT THE WEST 20 FEET OF LOT 4, BLOCK 37
Contract Number: 05-49300-002

This Low Income Housing Covenant Agreement (the "Covenant") is made by The Wilson Hotel Housing LLC, a Washington limited liability company ("Grantor") 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 Housing Authority of the City of Anacortes pursuant to a Housing Trust Fund Contract Number 05-49300-002 (the "Contract"), such Contract having been assigned to and assumed by the Grantor pursuant to that Assignment, Assumption and Consent Agreement dated as of November 18, 2004, for the Acquisition and Rehabilitation of real property ("Property") legally described as follows:

Lots 1,2,3, and 4, Block 37, "MAP OF THE CITY OF ANACORTES, SKAGIT COUNTY, WASHINGTON", EXCEPT the West 20 feet of said Lot 4. Situate in the City of Anacortes, County of Skagit, State of Washington

(the "Property").

This Covenant 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, for forty (40) years **beginning** September 1, 2006 and ending August 31, 2046.

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 Grantor, his successors and assigns heirs, grantees, or lessees of the Property, beginning September 1, 2006 and ending August 31, 2046. 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 forty (40) years commencing September 1, 2006 and terminating August 31, 2046, as follows:

1. The residential units in the Property will be rented to households who at the time of initial occupancy have gross annual household incomes at or below at or below 50% of the area median income, with 10 units (10) of the units targeted at households with incomes at or below thirty percent (30%) and 15 units at or below 50% of median income for 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. Rents shall be adjusted for family size and are less the monthly allowance for customary utilities and services (excluding telephone, cable television and other telecommunications), to be paid by tenant.

2. The Grantor 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 Grantor 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 this Covenant occurs, the Department may, after thirty days notice to the Grantor, subject to the nonrecourse provisions contained in the Loan Documents (as such term is defined in the Contract) and after the expiration of all applicable cure periods provided for in the Contract or Loan Documents 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 Grantor of its obligations hereunder; provided that, the Grantor 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, The Wilson Hotel Housing LLC has executed this Covenant on the _____ day of NOVEMBER, 2004.

WITNESS:

The Wilson Hotel Housing LLC, a Washington limited liability company, by Housing Authority of the City of Anacortes, a public body corporate and politic of the State of Washington, managing member

By: Theresa McCall

Print Name: THERESA McCall

Title: MANAGING MEMBER

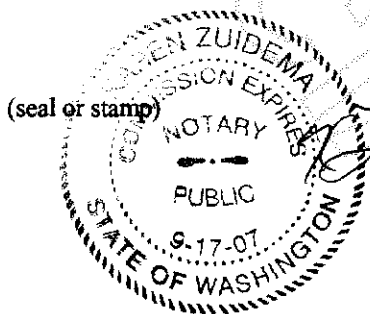


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STATE OF WASHINGTON)
) ss.
COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that Theresa McCallum is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the managing member of the Housing Authority of the City of Anacortes, a public body corporate and politic of the State of Washington, to me known to be managing member of The Wilson Hotel Housing LLC, a Washington limited liability company, to be the free and voluntary act and deed of such public body on behalf of such limited liability company for the uses and purposes mentioned in the instrument.



Date: 11/29/04
Karen Zuidema
Notary Public in and for the State of Washington,
residing at Anacortes
My commission expires 9/17/07



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REQUEST FOR FULL RECONVEYANCE

**TO BE USED ONLY WHEN ALL OBLIGATIONS HAVE BEEN PAID AND ALL
DUTIES PERFORMED UNDER THIS DEED OF TRUST.**

TO: TRUSTEE:

The undersigned Beneficiary is the party entitled to the performance, benefits, duties, and payments under the Housing Trust Fund Contract 05-49300-002 between Grantor and Beneficiary which is secured by this Deed of Trust and other legal documents.

The obligations thus secured have been fully paid, duties performed and satisfied, and you are hereby requested and directed, on payment to you of any sums owing to you under the terms of said Deed of Trust, including Contingent Interest, to cancel evidence of indebtedness secured by said Deed of Trust delivered to you with said Deed of Trust, and to reconvey, without warranty, to the parties designated by the terms of said Deed of Trust, all the estate now held by you hereunder.

Dated

Name

Title



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