

When Recorded Return To:

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



200612290120
Skagit County Auditor

12/29/2006 Page 1 of 4 2:37PM

Attention: Donna Johnston (360) 725-2928

LAND TITLE OF SKAGIT COUNTY

121473-76

AMENDED AND RESTATED LOW INCOME HOUSING COVENANT AGREEMENT

Reference Number of Document Amended: 9610080003

Grantor (Borrower): Skagit County Community Action Agency
Grantee (Lender): Department of Community, Trade and Economic Development
Assessor's Tax Parcel ID#: 4128-006-010-0103 & 4128-006-010-0012
Legal Description (abbreviated): **Ptn Lots 10-14, Blk 4; Lots 6-15, Blk 5; Lots 6-10, Blk 6, Syndicate Add.**
Contract Number: 06-47104-003

This Amended and Restated Low Income Housing Covenant Agreement (the "Amended and Restated Covenant") is made by Skagit County Community Action Agency ("Grantor") and amends the Low Income Housing Covenant Agreement (the "Covenant"), made by Skagit Housing Solutions dated October 7, 1996, recorded under Skagit County Auditor's file number 9610080003. This Amended and Restated Covenant modifies the length of the restriction upon the use of the Property and the tenancy of the residential units on the Property, 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 Grantor pursuant to a Housing Trust Fund/HOME Program Agreement, Contract Number 06-47104-003 ("Contract"), for the acquisition of real property legally described as follows:

See Attached Schedule A-1

This Amended and Restated 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 Amended and Restated Covenant, for forty (40) years ending December 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, ending December 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 terminating December 31, 2046, as follows:

1. The residential units in the Property will be rented to households that at the time of initial occupancy have gross annual household incomes at or below fifty percent (50%) median income for Mount Vernon-Anacortes, WA, MSA

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. Eighteen (18) units, which are rental units, shall be considered HOME Program-assisted units.

The CONTRACTOR shall make best efforts to accomplish the goal of providing twenty-two (22) units targeted to households that at the time of initial occupancy have gross annual household incomes at or below fifty percent (50%) of the area median income for Skagit County, Washington.

All of the eighteen (18) rental units shall be considered "floating" HOME Program-assisted units; meaning that units originally designated as HOME Program-assisted may change over time. The number of HOME assisted units may never be less than eighteen (18) and substituted units must be comparable in size, features and number of bedrooms to those units originally identified as HOME Program-assisted units.

Rents charged to tenants of the HOME Program-assisted units may not exceed the lesser of the Fair Market Rents, established by HUD, for comparable units in the area or the applicable high or low HOME rent. The low HOME rents may not exceed thirty percent (30%) of the adjusted income of a family whose income equals fifty percent (50%) of the area median family income, less the monthly allowance for the utilities and services (excluding telephone) to be paid by the tenant.

Rents for tenants of the non-HOME Program assisted units shall not exceed thirty percent (30%) of the income of the target population, adjusted for household size and less the monthly allowance for the customary utilities and services (excluding telephone, cable television and other telecommunications), to be paid by the tenant.

Tenant/family income calculations must be based upon procedures noted in Part 813 of 24 CFR and must be re-verified annually.

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 Amended and Restated Covenant occurs, the Department may, after thirty days notice to the Grantor, 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.



200612290120
Skagit County Auditor

IN WITNESS HEREOF, Skagit County Community Action Agency executed this Amended and Restated Covenant Agreement on the 28TH day of DECEMBER, 2006.

WITNESS:

Skagit County Community Action Agency,
a Washington non-profit corporation

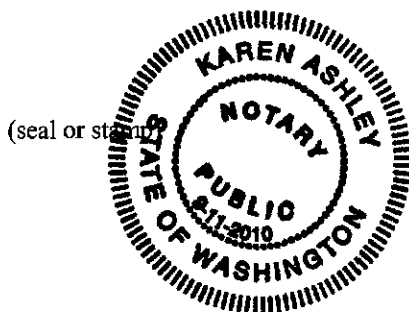
By: [Signature]

Print Name: WILLIAM J. SHULER

Title: EXECUTIVE DIRECTOR

STATE OF WASHINGTON)
) ss.
COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that WILLIAM J. SHULER 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 EXECUTIVE DIRECTOR of Skagit County Community Action Agency, a Washington non-profit corporation, to be the free and voluntary act and deed of such non-profit corporation for the uses and purposes mentioned in the instrument.



Date: DECEMBER 28, 2006

[Signature]
Notary Public in and for the State of Washington,
residing at MOUNT VERNON

My commission expires 9/11/2010
KAREN ASHLEY
Print Name



200612290120
Skagit County Auditor

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 LaConner, 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 LaConner, 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 LaConner, County of Skagit, State of Washington.

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 Town of LaConner, County of Skagit, State of Washington



200612290120
Skagit County Auditor

12/29/2006 Page

4 of

4 2:37PM