



200805210114

Skagit County Auditor

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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

Attention: Dan Schilling, (360) 725-2902

CHICAGO TITLE CO. 1C4579Z

LOW INCOME HOUSING COVENANT AGREEMENT

Grantor (Borrower): Anacortes Community Shelter Project

Grantee (Lender): Department of Community, Trade and Economic Development

Assessor's Tax Parcel ID#: P57352 & P57354

Legal Description (abbreviated): Hensler's 1st to Anacortes, Lots 8-12, Block 7

Contract Number: 07-94100-026

ACCOMMODATION RECORDING

This Low Income Housing Covenant Agreement (the "Covenant") is made by Anacortes Community Shelter Project, a Washington non-profit corporation ("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 Anacortes Community Shelter Project pursuant to a Housing Trust Fund Agreement, Contract Number 07-94100-026 (the "Contract"), for the new construction of real property ("Property") legally described as follows:

See Attached Full Legal Description

Chicago Title Company has placed
this document for recording as a
customer courtesy and accepts no
liability for its accuracy or validity

(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 May 1, 2009 and ending April 30, 2049.

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 May 1, 2009 and ending April 30, 2049. 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 May 1, 2009 and terminating April 30, 2049, as follows:

1. Eight (8) 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 thirty percent (30%) of the local area 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. One (1) additional unit shall be reserved for a resident manager and shall not be rent or income restricted.

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, 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 WHEREOF, Anacortes Community Shelter Project has executed this Covenant on the
12th day of May, 2008.

WITNESS:

Anacortes Community Shelter Project, a Washington non-profit corporation

By: Eric N. Johnson

Print Name: ERIC N. JOHNSON

Title: President, Board of Directors

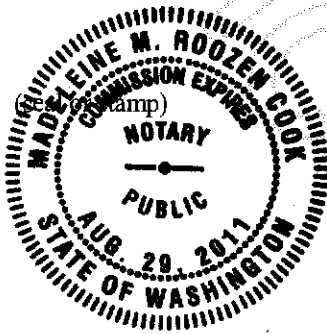


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STATE OF WASHINGTON)
) ss.
COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that Eric N Johnson 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 President of Anacortes Community Shelter Project, 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: 5/12/08

Madeleine M. Roosen Cook
Notary Public in and for the State of Washington,
residing at Salmon

My commission expires 8-29-2011

Madeleine M. Roosen Cook
Print Name



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FULL LEGAL DESCRIPTION

Parcel "A":

Lots 8, 9, and 10, Block 7, "PLAT OF HENSLER'S FIRST ADDITION TO THE CITY OF ANACORTES, SKAGIT CO., WASH.", as per plat recorded in Volume 3 of Plats, page 46, records of Skagit County, Washington.

Parcel "B":

Lots 11 and 12, Block 7, "PLAT OF HENSLER'S FIRST ADDITION TO THE CITY OF ANACORTES, SKAGIT CO., WASH.", as per plat recorded in Volume 3 of Plats, page 46, records of Skagit County, Washington.

TOGETHER WITH a perpetual right-of-way and easement for the purposes of a walkway and driveway in, through, along and across the following described property:

The East 14 feet of the South 148 feet of the following described tract: That portion of the Southeast 1/4 of the Southeast 1/4 of Section 24, Township 35 North, Range 1 East, W.M., described as follows:

Beginning at the Southwest corner of Block 6, "PLAT OF HENSLER'S FIRST ADDITION TO THE CITY OF ANACORTES, SKAGIT CO., WASH.", as per plat recorded in Volume 3 of Plats, page 46, records of Skagit County, Washington, which point is on the North line of 27th Street of said addition; thence South along the West line of said addition 188 feet to centerline of alley in Block 7 of said Hensler's Addition; thence West at right angles 248 feet, more or less, to the East line of a tract of land deed to Anna Allard by Deed recorded in Volume 101 of Deeds, page 587, records of Skagit County, Washington; thence North at right angles 188 feet to the North line of 27th Street, if extended; thence East to the point of beginning.



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