



201110260073
Skagit County Auditor

10/26/2011 Page 1 of 4 2:39PM

When Recorded Return To:

Washington State Department of Commerce
HOME Program
1011 Plum Street SE
Post Office Box 42525
Olympia, Washington 98504-2525
Attention: Donna Johnston (360) 725-2928

**SECOND AMENDED AND RESTATED
LOW INCOME HOUSING COVENANT AGREEMENT**

Reference Number of Document Amended: 200612290120

Grantor (Borrower): Home Trust of Skagit

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

Assessor's Tax Parcel ID#: P128671, P128672, P128680, P128681, P128682, P128684, P128669, P128670, P128667, P129848, P128668, P128677, P128678, P128679, P128675, P128676, P128673, P128674, P128683 & P128685
(formerly P74268 and P74276)

Legal Description (abbreviated): **Ptn Lots 10-14, Blk 4; Lots 6-15, Blk 5; Lots 6-10, Blk 6, Syndicate Add.**

Contact Number: 06-47104-003

This Second Amended and Restated Low Income Housing Covenant Agreement (the "Second Amended Covenant") is made by Home Trust of Skagit ("Grantor") and amends the First Amended and Restated Low Income Housing Covenant Agreement (the "First Amended Covenant"), made by Skagit Housing Solutions dated December 28, 2006, recorded under Skagit County Auditor's file number 200612290120.

This Second Amended Covenant modifies the alienability of the non-rental residential units on 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 Commerce, a department of the State of Washington ("Department"), to Skagit County Community Action Agency pursuant to a Housing Trust Fund/ HOME Program Agreement, Contract Number 06-47104-003 (the "Contract"), that was assigned to Grantor pursuant to an Assignment, Assumption, Release and Consent Agreement dated 9/23, 2011 and recorded under Skagit County auditor's recording number 20110260071 for the acquisition of real property legally described as follows:

See Attached Schedule A-1 for the full legal description of the Property, attached hereto, and by this reference is fully incorporated into this Second Amended Covenant (the "Property").

This Second Amended 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 Second Amended 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 assigned 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. TARGET POPULATION AND BENEFIT STANDARD

- a. **Non-Rental Residential Units:** Fourteen (14) units in the Property shall be considered non-rental residential units, contained within SOUTHFIELD P.U.R.D. UNIT C-1, UNIT C-2, UNIT C-3, UNIT D, UNIT G, UNIT H, UNIT I-1, UNIT I-2, UNIT I-3, and UNIT J (the "Non-Rental Residential Units"), are not considered part of the "HOME Program-assisted units" and may be sold, on the condition that purchasers of a minimum of ten (10) Non-Rental Residential Units, at the time of purchase, have gross annual household incomes at or below eighty percent (80%) of the 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.
- b. Eighteen (18) apartment units in the Property, contained within SOUTHFIELD P.U.R.D. UNIT A, UNIT B, UNIT E-1, UNIT E-2, and UNIT F, shall 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.
- c. **HOME Program Assisted Units:** Eighteen (18) rental units in the Property shall be considered HOME Program-assisted units ("HOME Program-assisted units") for a period of twenty (20) years commencing July 1, 2003 and ending on June 26, 2023. This is considered the HOME Program Affordability Period (the "HOME Program Affordability Period") and shall only apply to the eighteen (18) HOME Program-assisted units. The HOME Program-assisted units must be targeted to households that at the time of initial occupancy have gross annual household incomes at or below fifty percent (50%) of the local area median income for Mount Vernon-Anacortes, WA, MSA through the end of the HOME Program Affordability period and until the end of the Commitment Period, as defined in the Contract, which is December 31, 2046.

The number of HOME Program assisted units may never be less than eighteen (18).

- 2. TENANT RENT:** Tenant/family income calculations must be based upon procedures noted in 24 CFR Part 5.6000 and 24 CFR Part 92.252 and must be re-verified annually.

Rents to be paid by tenants whose current gross annual household incomes are at or below fifty percent (50%) of the median income level for the HUD income limits area in which the Project is located (the "median income level") shall not exceed thirty percent (30%) of the monthly income of the target population defined in Paragraph 1.c above. Maximum rents are determined by the number of bedrooms in each unit minus the monthly allowance for utilities (excluding telephone, cable television and other telecommunications) paid by the tenant.

- 3. SAFE AND SANITARY HOUSING:** 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.



4. GRANTOR RECORDS: The Grantor will keep any records and make any reports relating to compliance with this covenant that the Department may reasonably require.
5. DEFAULT: If a violation of this Second Amended Covenant occurs, the Department may, after thirty (30) 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 of such breach or violations or any similar breach or violation hereof at any later time.

IN WITNESS HEREOF, Home Trust of Skagit has executed this Second Amended Covenant Agreement on the 23rd day of September, 2011.

WITNESS:

Home Trust of Skagit, a Washington
non-profit corporation

By: [Signature]

Print Name: J. GABRIEL OLMS TED

Title: PRESIDENT. BOARD OF TRUSTEES

STATE OF WASHINGTON)
) ss.
COUNTY OF SKAGIT)

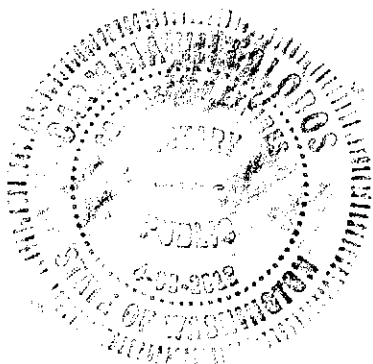
I certify that I know or have satisfactory evidence that James Gabriel Olmsted is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the Board of Trustee (President) of Home Trust of Skagit, 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: 9/23/11

Carmina Villalobos
Notary Public in and for the State of Washington,
residing at Skagit + County

My commission expires 04/08/2012

Carmina Villalobos
Print Name



Schedule "A-1"

Order No.: 115460-P

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.

Also shown of record as Southfield PURD Binding Site Plan recorded under Auditor's File Number 200907240089.

