



201201250123

Skagit County Auditor

1/25/2012 Page

1 of 12 1:56PM

AFTER RECORDING, RETURN TO:

Home Trust of Skagit
320 E Fairhaven, Suite 201
Burlington, WA 98233

PARTNERSHIP AGREEMENT AND CONTRACT

GRANTORS: HOME TRUST OF SKAGIT; GRANTEE: SKAGIT HABITAT FOR HUMANITY

THIS AGREEMENT is made this 23rd day of January, ²⁰¹²~~2011~~, by **HOME TRUST OF SKAGIT**, a Washington non-profit corporation ("HTS"), and **SKAGIT HABITAT FOR HUMANITY**, a Washington non-profit corporation ("SHFH"), to witness the following:

WHEREAS, HTS is the owner of that certain real property situated in Skagit County, Washington, which is described as follows, and hereinafter referred to as the "Land":

Channel Cove Lots descriptions:

UNIT D (NORTH HALF) OF SOUTHFIELD P.U.R.D. AND BSP AF#200907240089 AKA THAT PORTION OF SOUTHFIELD P.U.R.D. SKAGIT COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHEAST CORNER OF SAID SOUTHFIELD P.U.R.D.; THENCE SOUTH 29 DEGREES 56' 00" WEST ALONG THE EAST LINE OF SAID SOUTHFIELD P.U.R.D. A DISTANCE OF 404.08 FEET; THENCE NORTH 60 DEGREES 04' 00" WEST A DISTANCE OF 129.28 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH 85 DEGREES 09' 16" WEST, A DISTANCE OF 52.70 FEET; THENCE NORTH 04 DEGREES 50' 44" EAST, A DISTANCE OF 25.99 FEET; THENCE SOUTH 85 DEGREES 09' 16" EAST, A DISTANCE OF 52.70 FEET; THENCE SOUTH 04 DEGREES 50' 44" WEST, A DISTANCE OF 25.99 FEET TO THE TRUE POINT OF BEGINNING. Skagit County Tax Parcel No. P128675

UNIT D (SOUTH HALF) OF SOUTHFIELD P.U.R.D. AND BSP, AF#200907240089 AKA THAT PORTION OF SOUTHFIELD P.U.R.D. SKAGIT COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHEAST CORNER OF SAID SOUTHFIELD P.U.R.D.; THENCE SOUTH 29 DEGREES 56' 00" WEST ALONG THE EAST LINE OF SAID SOUTHFIELD P.U.R.D. A DISTANCE OF 404.08 FEET; THENCE NORTH 60 DEGREES 04' 00" WEST A DISTANCE OF 129.28 FEET TO THE TRUE POINT OF BEGINNING; THENCE SOUTH 04 DEGREES 50' 44" WEST, A DISTANCE OF 25.99 FEET; THENCE NORTH 85 DEGREES 09' 16" WEST, A DISTANCE OF 52.70 FEET; THENCE NORTH 04 DEGREES 50' 44" EAST, A DISTANCE OF 25.99 FEET; THENCE SOUTH 85 DEGREES 09' 16" EAST, A DISTANCE OF 52.70 FEET TO THE TRUE POINT OF BEGINNING. Skagit County Tax Parcel No. P128676

UNIT J OF SOUTHFIELD P.U.R.D. AND BSP AF#200907240089 AKA THAT PORTION OF SOUTHFIELD P.U.R.D., SKAGIT COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHEAST CORNER OF SAID SOUTHFIELD P.U.R.D. THENCE SOUTH 29 DEGREES 56' 00" WEST ALONG THE EAST LINE OF SAID SOUTHFIELD P.U.R.D. A DISTANCE OF 458.11 FEET THENCE NORTH 60 DEGREES 04' 00" WEST A DISTANCE OF 9.34 FEET TO THE TRUE POINT OF BEGINNING THENCE NORTH 85 DEGREES 27' 13" WEST A DISTANCE OF 36.29 FEET THENCE NORTH 04 DEGREES 32' 47" EAST, A DISTANCE OF 43.98 FEET THENCE SOUTH 85 DEGREES 27' 13" EAST A DISTANCE OF 36.29 FEET THENCE SOUTH 04 DEGREES 32' 47" WEST, A DISTANCE OF 43.98 FEET TO THE TRUE POINT OF BEGINNING. Skagit County Tax Parcel No. P128685

WHEREAS, HTS and SHFH desire to enter into an agreement that would allow SHFH to construct a house on each of the three lots, with the intention that SHFH would then sell and convey each newly-constructed house to a qualified third party.

NOW, THEREFORE, for and in consideration of \$75,000.00, the receipt and sufficiency of which are hereby acknowledged, and in consideration of the covenants contained in this agreement, HTS and SHFH hereby agree as follows:

1. HTS grants to SHFH, and/or its agents, employees, building program participants, and invitees, permission and license, at the election of SHFH, to enter onto the Land for the purpose of constructing a residential dwelling, and associated improvements on each lot, in accordance with the plans and specifications therefore, which were approved during the P.U.R.D. approval process and are incorporated into this agreement by this reference. SHFH agrees to reimburse HTS for each dwelling site for the price of Twenty Five Thousand Dollars (\$25,000) for each lot.

It is understood and agreed to by both HTS and SHFH that the residential structures built on Unit D (North half) and Unit D (South half) will be zero lot line structures sharing a common party wall.

2. Upon the written request of SHFH, at any time after construction of a residential dwelling has commenced, HTS shall deliver to SHFH a warranty deed to each newly constructed residential structure, and to all of the other improvements on the Land. The deed shall not include fee title to the underlying real property. The form of the deed to be executed is attached hereto as Exhibit "A".

3. SHFH, as agent for HTS, shall accumulate and execute any and all applications and documents necessary to undertake the contemplated house construction, including but not limited to permits. HTS, as owner of the land, shall execute any documents required to be executed directly by the owner of the land to achieve the objectives of this agreement.

4. Subject to the terms and provisions of this agreement, and subject to HTS's continuing ownership of the Land, HTS authorizes SHFH to enter into a purchase and sale agreement with a third party, related to the house and improvements to be constructed by SHFH.

5. After completion of the contemplated construction, at the closing of the sale and/or transfer from SHFH to the purchaser of the house and improvements on the Land, SHFH shall deliver a deed to the third party with the provisions contained in the form attached hereto as Exhibit "B".

6. On the closing date, HTS will execute a ground lease with each home buyer (attachment B) and will convey the leasehold interest to the homebuyer.



7 RELEASE AND INDEMNITY.

7.1. SHFH'S INDEMNITY. From the commencement of SHFH'S construction activities on the Land until completion of the construction and the closing of the sale or transfer of the house and other improvements to a third party, SHFH shall indemnify and hold harmless HTS against and from any and all claims, actions, damages, liability and expenses, including attorney's fees, arising from or out of SHFH's use of the Land or from the conduct of its activity, work or other things done, permitted or suffered by SHFH in or about the Land. SHFH, to the extent necessary to indemnify HTS only, hereby assumes all risk of damage to property or injury to persons in, upon or about the Land.

7.2. HTS'S INDEMNITY. HTS shall indemnify and hold harmless SHFH against and from any and all claims, actions, damages, liability and expenses, including attorney's fees, arising from any action by HTS, or any breach or default by HTS in the performance of its obligations under the terms of this agreement.

8 INSURANCE

8.1. From the commencement of SHFH'S construction activities on the Land until completion of the construction and the closing of the sale or transfer of the house and other improvements to a third party, SHFH shall, at its expense, carry and maintain insurance policies in the amount and in the form hereafter provided:

8.1.1 Public injury liability insurance with limits of not less than One Million dollars, U.S. (\$1,000,000 US) per person and Two Million dollars, U.S. (\$2,000,000 US) per occurrence insuring against any and all liability of the insured with respect to the Land or arising from its use thereof, and property damage liability insurance with limits of not less than Two Million dollars, U.S. (\$2,000,000) per occurrence. All such insurance shall specifically insure the performance by SHFH of its indemnity agreement as to liability for injury to or death of persons and loss of or damage to property contained in this agreement. Said insurance shall name HTS as an additional insured.

8.1.2 Insurance covering the structure being constructed by SHFH, and all of SHFH's other improvements and/or personal property on or about the Land in an amount not less than ninety percent (90%) of their full replacement costs, providing protection against any peril included within the classification "fire and extended coverage"

8.2. Each policy of insurance shall be issued by a good and solvent insurance carrier licensed to do business in the State of Washington and rated by "Best's Insurance Guide" as an A-7 or better. A certificate issued by the insurance carrier for each policy of insurance shall be delivered to the HTS prior to commencement of the contemplated construction.




9. This agreement constitutes the entire understanding of the parties hereto and may be modified only by a subsequent writing, duly executed by both of the parties hereto.


10. The provisions of this agreement shall be governed by, construed, and interpreted in accordance with the laws of the State of Washington.

11. In the event that either party hereto should default in its obligations under this agreement, the non-defaulting party shall be entitled to reimbursement by the defaulting party of reasonable attorney's fees, court costs, and other actual expenses, if any, which are incurred in the enforcement of the terms and obligations of this agreement.

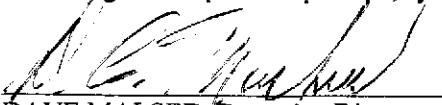
IN WITNESS WHEREOF, the undersigned have caused this document to be effective as of the date indicated above.

SKAGIT HUMANITY FOR HUMANITY,
a Washington non-profit corporation, by:


DEBBIE ALLEN, President


Merv Thompson, Vice-President

HOME TRUST OF SKAGIT,
a Washington non-profit corporation, by:


DAVE MALSED, Executive Director



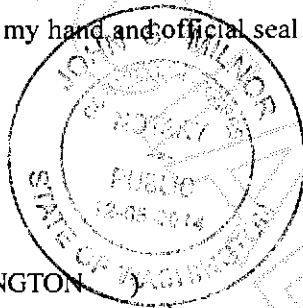
STATE OF WASHINGTON)

) ss.

County of Skagit)

On this 23rd day of January, A.D. 2012, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared, DEBBIE ALLEN to me known to be the past president of Skagit Habitat for Humanity, a Washington nonprofit corporation, the corporation that executed the foregoing 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 she is authorized to execute the said instrument and that the seal affixed is the corporate seal of said corporation.

WITNESS my hand and official seal hereto affixed the day and year in this certificate above written.



John S. Milnor
John S. Milnor (print name)

Notary Public in and for the State
of Washington, residing at Mount Vernon
My commission expires 12/5/2014

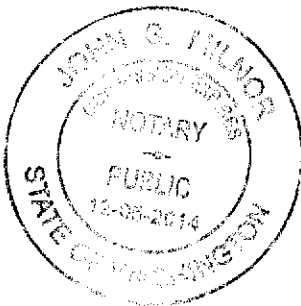
STATE OF WASHINGTON)

) ss.

County of Skagit)

On this 23rd day of January, A.D. 2012, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared, MERV THOMPSON to me known to be the president of Skagit Habitat for Humanity, a Washington nonprofit corporation, the corporation that executed the foregoing 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 she is authorized to execute the said instrument and that the seal affixed is the corporate seal of said corporation.

WITNESS my hand and official seal hereto affixed the day and year in this certificate above written.



John S. Milnor
John S. Milnor (print name)

Notary Public in and for the State
of Washington, residing at Mount Vernon
My commission expires 12/5/2014



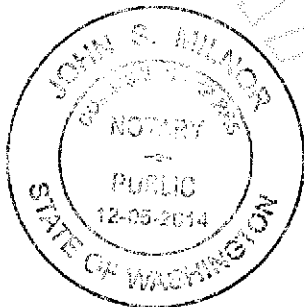
STATE OF WASHINGTON)

) ss.

County of Skagit

On this 23rd day of January, A.D. ²⁰¹²~~2011~~, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared, DAVE MALSED to me known to be the executive director of HOME TRUST OF SKAGIT, a Washington non-profit corporation, the corporation that executed the foregoing 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 they are authorized to execute the said instrument and that the seal affixed is the corporate seal of said corporation.

WITNESS my hand and official seal hereto affixed the day and year in this certificate above written.



John S. Milnor

John S. Milnor (print name)

Notary Public in and for the State

of Washington, residing at Mount Vernon

My commission expires 12/5/2014



EXHIBIT "A"

After Recording, Return to:

Home Trust of Skagit
320 E Fairhaven, Suite 201
Burlington, WA 98233

**WARRANTY DEED
(Partial Fulfillment Deed)**

THE GRANTOR, HOME TRUST OF SKAGIT, a Washington non-profit corporation,

for and in consideration of \$50,000.00 previously paid, receipt of which is hereby acknowledged, conveys and warrants to the **GRANTEE, SKAGIT HABITAT FOR HUMANITY**, a Washington non-profit corporation,

THE STRUCTURE AND ALL OF THE IMPROVEMENTS and all improvements to be built on the premises described as follows:

UNIT D (NORTH HALF) OF SOUTHFIELD P.U.R.D. AND BSP AF#200907240089
AKA THAT PORTION OF SOUTHFIELD P.U.R.D. SKAGIT COUNTY,
WASHINGTON, DESCRIBED AS FOLLOWS: COMMENCING AT THE
NORTHEAST CORNER OF SAID SOUTHFIELD P.U.R.D.; THENCE SOUTH 29
DEGREES 56' 00" WEST ALONG THE EAST LINE OF SAID SOUTHFIELD P.U.R.D.
A DISTANCE OF 404.08 FEET; THENCE NORTH 60 DEGREES 04' 00" WEST A
DISTANCE OF 129.28 FEET TO THE TRUE POINT OF BEGINNING; THENCE
NORTH 85 DEGREES 09' 16" WEST, A DISTANCE OF 52.70 FEET; THENCE
NORTH 04 DEGREES 50' 44" EAST, A DISTANCE OF 25.99 FEET; THENCE SOUTH
85 DEGREES 09' 16" EAST, A DISTANCE OF 52.70 FEET; THENCE SOUTH 04
DEGREES 50' 44" WEST, A DISTANCE OF 25.99 FEET TO THE TRUE POINT OF
BEGINNING. Skagit County Tax Parcel No. P128675

UNIT D (SOUTH HALF) OF SOUTHFIELD P.U.R.D. AND BSP, AF#200907240089 AKA
THAT PORTION OF SOUTHFIELD P.U.R.D. SKAGIT COUNTY, WASHINGTON,
DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHEAST CORNER OF SAID
SOUTHFIELD P.U.R.D.; THENCE SOUTH 29 DEGREES 56' 00" WEST ALONG THE EAST
LINE OF SAID SOUTHFIELD P.U.R.D. A DISTANCE OF 404.08 FEET; THENCE NORTH 60
DEGREES 04' 00" WEST A DISTANCE OF 129.28 FEET TO THE TRUE POINT OF
BEGINNING; THENCE SOUTH 04 DEGREES 50' 44" WEST, A DISTANCE OF 25.99 FEET;
THENCE NORTH 85 DEGREES 09' 16" WEST, A DISTANCE OF 52.70 FEET; THENCE
NORTH 04 DEGREES 50' 44" EAST, A DISTANCE OF 25.99 FEET; THENCE SOUTH 85
DEGREES 09' 16" EAST, A DISTANCE OF 52.70 FEET TO THE TRUE POINT OF
BEGINNING. Skagit County Tax Parcel No. P128676



201201250123
Skagit County Auditor

And ***not including*** fee title to the underlying real property. The structure and all such improvements are and shall remain attached to the real property. Further, also, specifically ***included*** in this conveyance are any personal property items or fixtures that are attached to the subject structure and improvements as the date of this deed.

It is the intention of the parties that the real property, underlying the structure and improvements conveyed herein, continue to be vested in Home Trust of Skagit, and that this warranty deed convey only such structure and improvements as exist on the subject premises as the date of this deed, subject to the terms and provisions of the Purchase Agreement and Contract recorded as Auditor's File No. _____, which terms and provisions remain in force.

SUBJECT TO: Restrictions, reservations and easements of record, and the partnership recorded as Auditor's File No. _____.

No person having an interest in this improvement shall refuse service for or accommodation or other benefits to any person with respect to the improvement on account of the person's race, color or national origin or otherwise engage in discrimination conduct of any kind on account of a person's race, color or national origin with respect to the improvement.

This deed is given in Partial Fulfillment of that certain Partnership Agreement and Contract recorded as Auditor's File No. _____ for which the excise tax was paid on _____, 2012 under receipt no. _____.

HOME TRUST OF SKAGIT,
a Washington non-profit corporation, by

DAVE MALSED, Executive Director



201201250123

Skagit County Auditor

STATE OF WASHINGTON)

) ss.

County of Skagit

On this _____ day of _____, A.D. 2011, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared, DAVE MALSED to me known to be the Executive Director of HOME TRUST OF SKAGIT, a Washington non-profit corporation, the corporation that executed the foregoing 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 they are authorized to execute the said instrument and that the seal affixed is the corporate seal of said corporation.

WITNESS my hand and official seal hereto affixed the day and year in this certificate above written.

_____(print name)
Notary Public in and for the State
of Washington, residing at _____
My commission expires _____



201201250123
Skagit County Auditor

EXHIBIT "A"

After Recording, Return to:

Home Trust of Skagit
320 E Fairhaven, Suite 201
Burlington, WA 98233

**WARRANTY DEED
(Partial Fulfillment Deed)**

THE GRANTOR, HOME TRUST OF SKAGIT, a Washington non-profit corporation,

for and in consideration of \$25,000.00 previously paid, receipt of which is hereby acknowledged, conveys and warrants to the **GRANTEE, SKAGIT HABITAT FOR HUMANITY**, a Washington non-profit corporation,

THE STRUCTURE AND ALL OF THE IMPROVEMENTS and all improvements to be built on the premises described as follows:

UNIT J OF SOUTHFIELD P.U.R.D. AND BSP AF#200907240089 AKA THAT PORTION OF SOUTHFIELD P.U.R.D., SKAGIT COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHEAST CORNER OF SAID SOUTHFIELD P.U.R.D. THENCE SOUTH 29 DEGREES 56 00 WEST ALONG THE EAST LINE OF SAID SOUTHFIELD P.U.R.D. A DISTANCE OF 458.11 FEET THENCE NORTH 60 DEGREES 04 00 WEST A DISTANCE OF 9.34 FEET TO THE TRUE POINT OF BEGINNING THENCE NORTH 85 DEGREES 27 13 WEST A DISTANCE OF 36.29 FEET THENCE NORTH 04 DEGREES 32 47 EAST, A DISTANCE OF 43.98 FEET THENCE SOUTH 85 DEGREES 27 13 EAST A DISTANCE OF 36.29 FEET THENCE SOUTH 04 DEGREES 32 47 WEST, A DISTANCE OF 43.98 FEET TO THE TRUE POINT OF BEGINNING. Skagit County Tax Parcel No. P128685

And **not including** fee title to the underlying real property. The structure and all such improvements are and shall remain attached to the real property. Further, also, specifically **included** in this conveyance are any personal property items or fixtures that are attached to the subject structure and improvements as the date of this deed.

It is the intention of the parties that the real property, underlying the structure and improvements conveyed herein, continue to be vested in Home Trust of Skagit, and that this warranty deed convey only such structure and improvements as exist on the subject



premises as the date of this deed, subject to the terms and provisions of the Purchase Agreement and Contract recorded as Auditor's File No. _____, which terms and provisions remain in force.

SUBJECT TO: Restrictions, reservations and easements of record, and the partnership recorded as Auditor's File No. _____.

No person having an interest in this improvement shall refuse service for or accommodation or other benefits to any person with respect to the improvement on account of the person's race, color or national origin or otherwise engage in discrimination conduct of any kind an account of a person's race, color or national origin with respect to the improvement.

This deed is given in Partial Fulfillment of that certain Partnership Agreement and Contract recorded as Auditor's File No. _____ for which the excise tax was paid on _____, 2012 under receipt no. _____.

HOME TRUST OF SKAGIT,
a Washington non-profit corporation, by

DAVE MALSED, Executive Director



201201250123
Skagit County Auditor

STATE OF WASHINGTON)

) ss.

County of Skagit

On this _____ day of _____, A.D. 2011, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared, DAVE MALSED to me known to be the Executive Director of HOME TRUST OF SKAGIT, a Washington non-profit corporation, the corporation that executed the foregoing 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 they are authorized to execute the said instrument and that the seal affixed is the corporate seal of said corporation.

WITNESS my hand and official seal hereto affixed the day and year in this certificate above written.

(print name)

Notary Public in and for the State
of Washington, residing at _____
My commission expires _____



201201250123

Skagit County Auditor