



Skagit County Auditor  
12/10/2013 Page 1 of 5 \$76.00 2:26PM

**AFTER RECORDING, RETURN TO:**

HomeTrust of Skagit  
320 E Fairhaven, Suite 201  
Burlington, WA98233

**PARTNERSHIP AGREEMENT AND CONTRACT**

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

**THIS AGREEMENT** is made this 18<sup>th</sup> day of September, 2013, 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 C-3 (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 A DISTANCE OF 382.93 FEET; THENCE NORTH 60 DEGREES 04' 00" WEST A DISTANCE OF 28.81 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH 60 DEGREES 01' 19" WEST, A DISTANCE OF 43.71 FEET; THENCE NORTH 29 DEGREES 58' 41" EAST, A DISTANCE OF 25.99 FEET; THENCE SOUTH 60 DEGREES 01' 19" EAST, A DISTANCE OF 43.71 FEET; THENCE SOUTH 29 DEGREES 58' 41" WEST, A DISTANCE OF 25.99 FEET TO THE TRUE POINT OF BEGINNING. Skagit County Tax Parcel No. P128673

UNIT C-3 (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 A DISTANCE OF 382.93 FEET; THENCE NORTH 60 DEGREES 04' 00" WEST A DISTANCE OF 28.81 FEET TO THE TRUE POINT OF BEGINNING; THENCE SOUTH 29 DEGREES 58' 41" WEST, A DISTANCE OF 25.99 FEET; THENCE NORTH 60 DEGREES 01' 19" WEST, A DISTANCE OF 43.71 FEET; THENCE NORTH 29 DEGREES 58' 41" EAST, A DISTANCE OF 25.99 FEET; THENCE SOUTH 60 DEGREES 01' 19" EAST, A DISTANCE OF 43.71 FEET TO THE TRUE POINT OF BEGINNING. SW ¼ OF SE ¼ OF SEC 36 TWP 34 RGE 2. Skagit County Tax Parcel No. P128674

**HEREAS**, HTS and SHFH desire to enter into an agreement that would allow SHFH to construct a duplex, one unit on each of the above described lots, with the intention that SHFH would then sell and convey each newly constructed unit to a qualified third party.

**NOW, THEREFORE**, for and in consideration of \$50,000.00, (\$25,000 cash and a promissory note for \$25,000) 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 duplex, and associated improvements on the Land, in accordance with the plans and specifications therefore, which are attached to this agreement as Exhibit "A", and incorporated into this agreement by this reference.

It is understood and agreed to by both HTS and SHFH that the residential duplex built on the Land will be a zero lot line structure sharing a common party wall.

2. Upon the written request of SHFH, at any time after construction of the residential duplex has commenced, HTS shall deliver to SHFH a warranty deed to each newly constructed unit. 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 "B".

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 selling to a qualified third party the duplex units and improvements 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 unit(s) 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 "C".

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

7. SHFH shall execute a Promissory note in favor of HTS in the amount of \$25,000, in the form and with the terms attached hereto as Exhibit "D".

8. The above noted Promissory Note shall be secured by a Deed of Trust on the improvements made by SHFH to the Land and shall be in the form and with the terms attached hereto as Exhibit "E".



9. RELEASE AND INDEMNITY.

9.1. 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.

9.2. 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.

10 INSURANCE

10.1. 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:

10.1.1 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.

10.1.2 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"

10.2. 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.



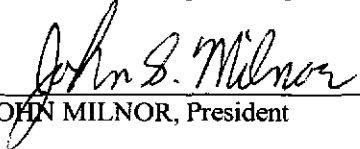
11. This agreement constitutes the entire understanding of the parties hereto and may be modified only by a subsequent writing, duly executed by both of the parties hereto.

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

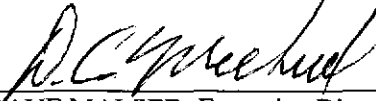
13. In the event that either party hereto should default in its obligations under this agreement, the non-defaulting party shall be entitled to reimbursement by the defaulting party of reasonable attorney's fees, court costs, and other actual expenses, if any, which are incurred in the enforcement of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

  
\_\_\_\_\_  
JOHN MILNOR, President

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

  
\_\_\_\_\_  
DAVE MALSED, Executive Director



201312100039

STATE OF WASHINGTON )

) ss.

County of Skagit )

On this 18<sup>th</sup> day of September, 2013, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared, JOHN MILNOR 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.



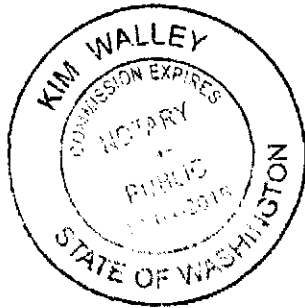
Kerry L. Larson  
Kerry L. Larson (print name)  
Notary Public in and for the State  
of Washington, residing at Mount Vernon.  
My commission expires 8-06-2015.

STATE OF WASHINGTON )

County of Skagit )

On this 9 day of December, 2013, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared, Dave Maised 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.



Kim Walley  
Kim Walley (print name)  
Notary Public in and for the State  
of Washington, residing at Burlington.  
My commission expires 10-04-16.

