



201412230050

Skagit County Auditor

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RECORDING REQUESTED BY  
AND WHEN RECORDED MAIL TO:

**CHICAGO TITLE 620022201**

Return Address: USDA RURAL DEVELOPMENT  
1835 Black Lake Blvd SW, Suite B  
Olympia, WA 98512

Document Title: RESTRICTIVE USE COVENANT AND AGREEMENT

Grantor: Anacortes Apartment Associates, a Limited Partnership

Grantee: United State of America acting through  
United State Department of Agriculture,  
Rural Housing Service

Re: Heatherwood Apartments  
2102 Commercial Avenue and 1110 29<sup>th</sup> Street  
Anacortes, WA 98221

Abbreviated Legal: PTN SE SE, 24-35-01 AND LOTS 1-8, BLK 4, STEWARTS FIRST ADD  
Parcel No: P31893 / 350124-0-116-0001  
P31897 / 350124-0-120-0005  
P60423 / 3833-004-006-0003

COMPLETE LEGAL DESCRIPTION:

See Exhibit A *pgs. 5 and 6*

**RESTRICTIVE USE COVENANT – THE LAST EXISTING TENANT**  
**Use if No Impact on Minorities but There is Not an Adequate Supply of Housing**  
**(7 CFR 3560.662(b)(2))**

**WHEREAS, Anacortes Apartment Associates, a Limited Partnership, 4600 Guide Meridian #100, Bellingham, WA 98226** or a predecessor in interest, received a loan from the United States of America, acting through the Farmer's Home Administration the functions of which for purposes of this loan were transferred to the Rural Housing Service in Rural Development (Agency), U.S. Department of Agriculture which was evidenced by promissory note(s) dated

April 7, 1989, in the original amount of \$1,187,200.00 and secured by a certain Deed of Trust(s) or Mortgage on the real property dated April 7, 1989 and recorded in the land records for the County of Skagit for the purpose of providing housing in accordance with Section 42 U.S.C. Section 1484 (Section 514) or Section 1485 (Section 515), whichever is applicable, and Title V of the Housing Act of 1949, as amended, "Program"; and

**NOW, THEREFORE,** in consideration of the release of the Deed of Trust and imposition of restrictions on the Property described in the legal description in Exhibit A, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties, for themselves and for their respective successors and assigns, hereby covenant and agree as follows:

**(1) Use Requirement.** The Owner, and any successors in interest, agree to use the Property in compliance with 42 U.S.C. § 1484 or § 1485, whichever is applicable, and 7 CFR part 3560, and any other applicable regulations and amendments, for the purpose of providing program housing to those eligible very low-, low-, or moderate-income tenants residing as tenants of the property at the time of prepayment (tenants).

**(2) Enforcement.** The Agency and program eligible tenants may enforce these restrictions as long as the Agency has not terminated the Restrictive Use Agreement pursuant to paragraph 6 below.

**(3) Displacement Prohibition.** Owner agrees not to refuse to lease a dwelling unit offered for rent, or otherwise discriminate in the terms of tenancy, solely because any tenant is the recipient of housing assistance from the Agency or any other governmental agency.

**(4) Owner's Responsibilities.** Owner agrees that it will: set rents, other charges, and conditions of occupancy will be set so that the effect on the tenants will not differ from what would have been, had the project remained in the Rural Development Program and in a manner to meet the restrictions required by this Restrictive Use Covenant; post an Agency approved notice of these restriction for the tenants of the property; to adhere to applicable local, State, and Federal laws; and to obtain Agency concurrence for any rental procedures that deviate from those approved at the time of prepayment, prior to implementation.

**(5) Civil Rights Requirements.** Owner will comply with the provisions of any applicable Federal, State or local law prohibiting discrimination in housing on the basis of race, color, religion, sex, national origin, handicap or familial status, including but not Limited to: Title VI of the Civil Rights Act of 1964 (Public Law 90-284, 82 Stat 73), the fair Housing Act, Executive Order 11063, and all requirements imposed by or pursuant to the Agency regulations implementing these authorities, including, but not limited to, 7 CFR Section 3560.104

**(6) Release of Obligation.** Owner will be released from the obligation under this Restrictive Use Covenant on the earlier to occur of: (i) the Agency has determined that the last existing Tenant at the date of prepayment has terminated his or her tenancy in the property or (ii) the Agency determines that there is a no longer a need for very low-, low- or moderate-income housing or (iii) that rental subsidy provided from Agency and non-Agency sources to the tenants will no longer be provided due to no fault, action or lack of action on the part of Owner (Term).

**(7) Violations; the Agency's Remedies.** The parties further agree that upon any default under this covenant, the Agency and the tenants may apply to any court, State or Federal, for specific performance of this Agreement, for an injunction against violation of this covenant or for such other equitable relief as may be appropriate, since the injury to



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the Agency arising from a violation under any of the terms of this covenant would be irreparable and the amount of damage would be difficult to ascertain.

**(8) Covenants to Run with Land.** Owner hereby subjects the Property to the covenants, reservations and restrictions set forth in this covenant. Owner hereby declares its express intent that the covenants, reservations and restrictions set forth herein shall be deemed covenants running with the land to the extent permitted by law and shall pass to and be binding upon the successors in title to the Property. Each and every contract, deed, mortgage or other instrument hereafter executed covering or conveying the Property or any portion thereof shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations and restrictions, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instrument. The Agency hereby agrees that, upon the request of Owner made after the release of obligations established in paragraph 6 of this covenant, the Agency shall execute a recordable instrument approved by the Agency for purposes of releasing this covenant of record. All costs and expenses relating to the preparation and recording of such release shall be paid by Owner.

**(9) Subsequent Modifications and Statutory Amendments.** The Agency may implement modifications necessitated by any subsequent statutory amendment without the consent of any other party, including those having the right of enforcement, to require that any third-party obtain prior Agency approval for any enforcement action concerning preexisting or future violations of this covenant.

**(10) Binding Effect.** Upon conveyance of the Property during the Term, the Owner shall require its successor or assignee to assume its obligations under this covenant. In any event, this covenant shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and/or assigns.

**(11) Amendment.** This covenant may not be modified except by an instrument in writing executed by each of the parties that are signatories hereto and recorded with the proper land records.

**(12) Severability.** Notwithstanding anything herein contained, if any one or more of the provisions of this covenant shall for any reason whatsoever be held to be illegal, invalid or unenforceable in any respect, such illegality, invalidity or unenforceability shall not affect any other provision of this covenant, but this covenant shall be construed as if such illegal, invalid or unenforceable provision had never been contained herein.

**(13) Headings.** The headings and titles to the sections of this covenant are inserted for convenience only and shall not be deemed a part hereof nor affect the construction or interpretation of any provisions hereof.

**(14) Governing Law.** This covenant shall be governed by all applicable Federal laws.

IN WITNESS WHEREOF, the parties hereto have caused this Restrictive Use Covenant to be executed and made effective as of this 17 day of Dec, 2014.

Anacortes Apartment Associates, a Limited Partnership



BY: GENE BOUMA  
ITS: General Partner



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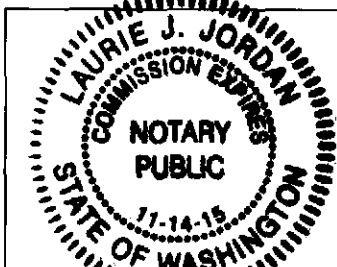
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ACKNOWLEDGEMENT

STATE OF WASHINGTON }  
 } ss.  
COUNTY OF Whatcom }

On this 11<sup>th</sup> day of Dec 2014, before me personally appeared  
Gene Seuma to me known to be the  
General Partner of Procoris Apartment Associates  
a limited Partnership [entity/agency] that executed the within and  
foregoing instrument and acknowledged said instrument to be the free and voluntary act and  
deed of said limited Partnership [entity/agency], for the uses and  
purposes therein mentioned, and on oath stated that he was authorized to execute said  
instrument. In witness whereof I have hereunto set my hand and affixed my official seal the day  
and year first written above.



(Use this space for notary stamp/seal)

Laurie J. Jordan  
Notary Public

Print Name: Laurie J. Jordan

My Commission Expires: 11-14-15



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**EXHIBIT "A"**  
*to Restrictive Use Covenant  
and Agreement*

Order No.: 620022201

**For APN/Parcel ID(s): P31893 / 350124-0-116-0001, P31897 / 350124-0-120-0005 and P60423 / 3833-004-006-0003**

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**PARCEL A:**

That portion of the Southeast Quarter of the Southeast Quarter of Section 24, Township 35 North, Range 1 East, W.M., described as follows:

Beginning at a point 295.2 feet West of the Southeast corner of said Southeast Quarter of the Southeast Quarter;  
Thence West 98.4 feet;  
Thence North 296 feet;  
Thence East 98.4 feet;  
Thence South 296 feet to the point of beginning.

EXCEPT that portion thereof deeded to the City of Anacortes for 29<sup>th</sup> Street by deed dated July 2, 1964, recorded November 8, 1965 under Auditor's File No. 674255 in Volume 350 of Deeds, page 408;

AND EXCEPT that portion of the East 9 ½ feet of the above described premises lying Southerly of a line drawn parallel to and 148 feet North of the South line of said Southeast Quarter as measured along the East line thereof as conveyed in deed to Lyle R. Spradley et ux dated September 1, 1972, recorded September 1, 1972, under Auditor's File No. 773472.

Situated in Skagit County, Washington.

**PARCEL A.1:**

An easement for ingress and egress to and from the buildings located thereon, and for the purpose of maintaining and repairing such buildings and driveways and pathways over and along said easement, as set forth in an instrument dated September 27, 1963, filed September 30, 1963 under Auditor's File No. 641417, from Charles A. Parks and Lucille A. Parks, his wife, over and across the Easterly 4 feet of the Southerly 160 feet of the following described tract:

Beginning at a point 393.6 feet West of the Southeast corner of said Southeast Quarter of the Southeast Quarter (or a point 98.4 feet West of the Southeast corner of a tract of land conveyed to one A.H. Moore);  
Thence West 49.2 feet;  
Thence North 296 feet;  
Thence East 49.2 feet;  
Thence South 296 feet to the point of beginning.

Situated in Skagit County, Washington.

**PARCEL B:**

The North 125 feet of the following described property:

That portion of the Southeast Quarter of the Southeast Quarter, Section 24, Township 35 North, Range 1 East W.M., described as follows:



## EXHIBIT "A"

(continued)

Beginning at a point 393.6 feet West of the Southeast corner of said Southeast Quarter of the Southeast Quarter (or a point 98.4 feet West of the Southwest corner of a tract of land conveyed to one A.H. Moore);  
Thence West 49.2 feet;  
Thence North 296 feet;  
Thence East 49.2 feet;  
Thence South 296 feet to the point of beginning.

Situated in Skagit County, Washington.

### PARCEL C:

Lots 1 through 7, inclusive and the East Half of Lot 8, Block 4, STEWART'S FIRST ADDITION TO THE CITY OF ANACORTES, WASH., as per plat recorded in Volume 2 of Plats, page 14, records of Skagit County, Washington.

Situated in Skagit County, Washington.



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