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11/04/2019 12:28 PM Pages: 1 of 7 Fees: \$109.50  
Skagit County Auditor

Document Title:

Restrictive Use Covenant

Reference Number : 1483-WA

Grantor(s):

additional grantor names on page \_\_\_.

1. LaConner Apartments, a Limited Partership

2.

Grantee(s):

additional grantee names on page\_\_\_.

1. United States of America, acting through Rural Housing Service in Rural Development,

2. United States Department of Agriculture

Abbreviated legal description:

full legal on page(s) 7.

TR A S/P #LC-91-07 REC AF#9109230121 BEING PTN 2 BLK B CALHOUNS ADD TO  
LACONNER

Assessor Parcel / Tax ID Number:

additional tax parcel number(s) on page \_\_\_.

P74197

*After recording return document to:*

*Anne Nicasio, USDA Rural Development.  
2005 E College Way, Suite 203, MountVernon, WA  
98273*

### **Restrictive Use Covenant**

**WHEREAS**, LaConner Apartments, a Limited Partnership, 5151 California Ave., Suite 100, Irvine, CA 92617 (“Owner”), or a predecessor in interest, received a loan from the United States of America, acting through the Rural Housing Service in Rural Development (“Agency”), United States Department of Agriculture which was evidenced by promissory note dated April 16, 1990, in the original amount of \$603,446.43 and secured by a certain Deed of Trust for Washington dated April 16, 1990, and recorded in the land records for the County of Skagit, Washington in accordance with Section 515 of Title V of the Housing Act of 1949, as amended (“Program”); and

**WHEREAS**, as a condition to and in consideration for the Owner's receipt of a damage payment in accordance with a Settlement Agreement dated December 21, 2018, the Owner and the Agency have agreed to certain restrictions on the use of the property as more particularly described in Attachment One (1) (“Property”) attached hereto and made a part hereof.

**NOW, THEREFORE**, in consideration of the damage payment, the receipt and sufficiency of which is hereby acknowledged, the parties, for themselves and for their respective successors and assigns, hereby covenant and agree as follows:

**1. Term.** The period of restriction shall begin on the date hereof and end on April 16, 2040 (“Term”).

**2. Use Requirement.** The Owner, and any successors in interest, agree to use the Property in compliance with 42 U.S.C. § 1485 and 7 C.F.R part 3560, and any other applicable regulations and amendments, for the purpose of housing Program eligible very low-, low-, or moderate-income tenants.

**3. Enforcement.** The Agency may enforce these restrictions. Program eligible tenants or applicants may also enforce these restrictions so long as the Agency has not terminated the Restrictive Use Covenant pursuant to paragraph 7 below.

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

**5. Owner's Responsibilities.** The Owner agrees to set rents, other charges, and conditions of occupancy in a manner to meet these restrictions; post an Agency-approved notice of this

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.

**6. Civil Rights Requirements.** The 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 § 3560.104.

**7. Release of Obligation.** The Owner will be released from these obligations before the expiration of the Term of this covenant only when the Agency determines that there is no longer a need for the housing or that financial assistance provided the residents of the housing will no longer be provided due to no fault, action or lack of action on the part of the Owner.

**8. Violations; the Agency's Remedies.** If the Agency determines that the Owner has violated any of the terms of this covenant, including, but not limited to, failure to comply with any of the requirements imposed under this covenant, the Agency shall have available to it all remedies prescribed by 42 U.S.C. § 1485 and 7 C.F.R. part 3560 or any recodification or amendment thereto.

**9. Covenants to Run with Land.** The Owner hereby subjects the Property to the covenants, reservations and restrictions set forth in this covenant. The 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 throughout the Term. 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 the Owner made on or after the Term of this covenant has expired, 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 the Owner.

**10. Superiority.** The document hereto constitutes a restrictive covenant that is filed of record, with all other Deeds of Trusts or Mortgages, and that, notwithstanding a foreclosure or transfer of title pursuant to any other instrument or agreement, the restrictive covenants and provisions hereunder shall remain in full force and effect.

**11. Subsequent Modifications and Statutory Amendments.** The Agency may implement modifications to the Program 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.

**12. Other Agreements.** The Owner represents and warrants that the provisions of this covenant are paramount and controlling as to the rights and obligations set forth herein and supersede any other conflicting requirements.

**13. Binding Effect.** This covenant shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and/or assigns.

**14. Amendment.** This covenant may not be modified except by an instrument in writing executed by each of the parties that are signatories hereto or their authorized representatives.

**15. 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.

**16. 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.

**17. Governing Law.** This covenant shall be governed by all applicable Federal and State laws.

**18. Counterparts.** This covenant may be executed in any number of counterparts, all of which counterparts shall be construed together and shall constitute but one covenant.

[signature page follows]

IN WITNESS WHEREOF, the parties hereto have caused this Restrictive Use Covenant to be executed and made effective as February 26, 2019

OWNER: LaConner Apartments, a Limited Partnership,  
a Washington limited partnership

By: *Shneyderman*

Name: Tamara Shneyderman  
President of  
Title: General Partner

STATE OF CA )  
COUNTY OF orange )

This instrument was acknowledged before this 26 day of Feb,  
2019, by Tamara Shneyderman, as general partner of LaConner Apartments, a Limited Partnership,  
a Washington limited partnership, on behalf of said limited partnership.

please see attached form for notary sign stamp  
Notary Public, State of CA  
Printed Name of Notary  
Min Zhou

My Commission Expires:  
Aug 15, 2020

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

CIVIL CODE § 1189

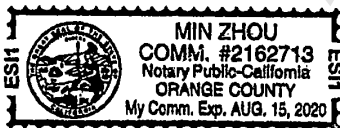
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California )  
County of Orange )  
On Feb 26, 2019 before me, MIN ZHOU, Notary Public  
Date Here Insert Name and Title of the Officer  
personally appeared Tamara Shneyderman  
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature \_\_\_\_\_  
Signature of Notary Public

Place Notary Seal Above

**OPTIONAL**

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

**Description of Attached Document**

Title or Type of Document: Restrictive UK Covenant Document Date: 2/26/19  
Number of Pages: 4 Signer(s) Other Than Named Above: \_\_\_\_\_

**Capacity(ies) Claimed by Signer(s)**

Signer's Name: \_\_\_\_\_  
 Corporate Officer — Title(s): \_\_\_\_\_  
 Partner —  Limited  General  
 Individual  Attorney in Fact  
 Trustee  Guardian or Conservator  
 Other: \_\_\_\_\_  
Signer Is Representing: \_\_\_\_\_

Signer's Name: \_\_\_\_\_  
 Corporate Officer — Title(s): \_\_\_\_\_  
 Partner —  Limited  General  
 Individual  Attorney in Fact  
 Trustee  Guardian or Conservator  
 Other: \_\_\_\_\_  
Signer Is Representing: \_\_\_\_\_

ATTACHMENT 1  
LEGAL DESCRIPTION

The land referred to in this report/policy is situated in the State of Washington, County of Skagit, and is described as follows:

Lot A of Short Plat No. LC-89-2, approved April 17, 1989 and recorded in Book 8 of Short Plats, page 140, under Auditor's File No. 8906290057, records of Skagit County, Washington, being a portion of Lot 2, Block B, "CALHOUN ADDITION TO THE TOWN OF LACONNER", as per plat recorded in Volume 1 of Plats, page 14.

TOGETHER WITH a non-exclusive easement for ingress, egress and utilities over, under and across the North 45 feet of Lot B of said Short Plat No. LC-89-2.