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11/25/2025 03:30 PM Pages: 1 of 7 Fees: \$309.50  
Skagit County Auditor

**When Recorded Return to:**

City of Mount Vernon  
ATTN: Steve Sexton  
910 Cleveland Avenue  
Mount Vernon, WA 98274

**Low-Income Housing Covenant**

Grantor: Evangelical Lutheran Salem Church of Mount Vernon, Washington

Grantee: City of Mount Vernon

Abbreviate Legal Description:

Additional Legals on: Page 1

Assessor's Tax Parcel Number(s) P111842

THIS DECLARATION OF RESTRICTIVE COVENANTS (hereinafter referred to as "Covenant"), dated 1 Nov, 2025, by Evangelical Lutheran Salem Church of Mount Vernon, Washington, Washington non-profit corporation, and its successors and assigns (hereinafter referred to as "GRANTOR") is given in consideration for funding from the City of Mount Vernon, a municipal corporation, "GRANTEE" for the purpose of the remodel of real PROPERTY (hereinafter referred to as "PROPERTY") legally described below:

(4.7927 ac) DR20: LOT 2 SALEM SHORT PLAT PL12-018, RECORDED UNDER AF#201206050038 BEING A PORTION SE1/4 SE1/4, SECTION 8, TOWNSHIP 34 NORTH, RANGE 4 EAST, W.M. EXCEPT THAT PORTION DEEDED TO CITY OF MOUNT VERNON PER AF#202209200057

This 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 Covenant, for Ten (10) Years, commencing at the time the Project is Substantially Complete as set forth below.

**RECITALS**

WHEREAS, the GRANTOR and GRANTEE entered into a Sales Tax Funding Agreement For Affordable Housing And Related Services dated 1 November 2025 (the "Agreement"); and

WHEREAS, the Agreement provides funds to GRANTOR in return for the remodel of a Project that will provide affordable housing or facilities providing housing-related services in accordance with RCW 82.14.530, set forth in Exhibit "A" of the Agreement (the "Project"); and

WHEREAS, GRANTOR agrees to maintain the Property as a facility providing housing-related services defined in RCW 82.14.530 for a period of not less than ten (10) years commencing at the time the Project is Substantially Complete.

WHEREAS in order for GRANTEE to retain sufficient surety that the public benefit received and bargained for in the Agreement will continue, and to prevent the Property from being converted to uses not allowed as set forth in RCW 82.14.530 it is necessary that the GRANTOR record a covenant that will run with the land that the Property will continue to be used for the purposes set forth under RCW 82.14.530.

#### SECTION 1 REPRESENTATIONS, COVENANTS, AND WARRANTIES OF GRANTOR

GRANTOR hereby represents, Covenants, and Warrants as follows:

1. The recitals set forth above are hereby adopted as if set forth fully herein.
2. GRANTOR voluntarily establishes this real property covenant over the PROPERTY for a period of no less than Ten (10) years commencing at the time the Project is Substantially Complete and subject to the terms and conditions set forth herein exclusively for the purpose of ensuring the PROPERTY is actively used for purposes of a facility providing housing-related services, as defined in RCW 84.12.530.  
"Substantially complete" means when the Project work has progressed to the extent that the GANTOR has full use and benefit of the facilities, both from the operational and safety standpoint, and only minor incidental work, replacement of temporary substitute facilities, or correction or repair remains to physically complete the total contract.
3. GRANTOR hereby Covenants and agrees not to sell, transfer or otherwise dispose of the PROPERTY or any portion thereof without first providing a written notice to the buyer and obtaining the agreement of any buyer or successor or other person acquiring the PROPERTY or any interest therein, that such acquisition is subject to the requirements of this Covenant and to the affordability requirements provided for herein; provided, however, that nothing contained in this Covenant shall restrict transfers of interests.
4. GRANTOR will, at the time of execution, delivery, and recording of this Covenant, have good and marketable title to the PROPERTY, free and clear of any liens or encumbrances that may interfere with the enforcement of the terms and conditions of this Covenant, including, without limitation, the exceptions set forth in the GRANTOR'S policy of title insurance.
5. GRANTOR warrants that it has not and will not execute any other Covenant or deed restriction with provisions contradictory to, or in opposition to, the provisions hereof other than the permitted encumbrances set forth in Section 4 or as otherwise approved by the GRANTEE.

#### SECTION 2 RECORDING AND FILING; COVENANTS TO RUN WITH THE LAND

1. Upon execution of this Covenant by the GRANTOR, GRANTOR shall cause this Covenant and all amendments hereto to be recorded in the Skagit County Auditor's Office. GRANTOR shall pay for all

fees and charges incurred in connection therewith.

2. GRANTOR intends, declares, and Covenants, on behalf of itself and all future owners of the PROPERTY during the term of this Covenant, that this Covenant and the Covenants and restrictions set forth in this Covenant regulating and restricting the use, occupancy, and transfer of the PROPERTY shall:
  - a. constitute Covenants running with the land, encumbering the PROPERTY for the term of this Covenant, binding upon GRANTOR and GRANTOR'S successors in title and all subsequent owners of the PROPERTY and not merely personal Covenants of GRANTOR; and
  - b. bind the GRANTOR (and the benefits shall insure to the GRANTEE) and any past, present, or prospective owner of the PROPERTY and GRANTOR'S respective successors and assigns during the term of this Covenant.
3. GRANTOR hereby agrees that any and all requirements or privileges of the estate are intended to be satisfied, or in the alternative, that an equitable servitude has been created to ensure that these restrictions run with the land. For the term of this Covenant, each and every contract, deed or other instrument hereafter executed conveying the PROPERTY or portion thereof shall expressly provide that such conveyance is subject to this Covenant, provided, however, the Covenants contained herein shall survive and be effective regardless of whether such contracts, deed, or other instrument hereafter executed conveying the PROPERTY or portion thereof provides that such conveyance is subject to this Covenant.

### SECTION 3 ENFORCEMENT OF AFFORDABILITY REQUIREMENTS

The PROPERTY will be bound by the terms of this Covenant, for the purpose of providing a facility providing housing-related services as defined in RCW 84.14.530 in the City of Mount Vernon. GRANTOR hereby declares and Covenants, on behalf of itself and all future owners of the PROPERTY, that, during the term of this Covenant, the GRANTEE is a party and beneficiary of (including its successors) to each and every remedy provided in the Covenant or in law intended to ensure the use of the PROPERTY for the purposes defined herein. The GRANTEE may, in the event of the failure or default of the GRANTOR, ensure the Proper Use of the PROPERTY as provided for in the Covenant and exercise all rights and remedies available to the GRANTEE for that purpose. Proper use is defined as:

1. The GRANTOR shall remodel the PROPERTY as set forth in the Agreement and shall own, manage and operate (or cause the management and operation of) the PROPERTY to be used actively to a facility providing housing-related services as defined in RCW 84.14.530 for not less than Ten (10) years commencing at the time the Project is Substantially Complete.
2. One hundred percent (100%) of the space remodeled by GRANTOR shall be utilized by individuals or families from households that, at the time of enrollment and annually thereafter, have a gross annual household income at or below sixty percent (60%) of the local area median income, as defined by the United States Department of Housing and Urban Development (HUD) and adjusted for household size. In the event that HUD ceases to provide such estimates of area median income, then area median income shall mean such comparable figures for Skagit County, Washington, as published or reported by a federal, state, or local agency, as the GRANTEE shall reasonably select.

In addition, the remodeled space shall only be provided to persons within the population groups set forth in RCW 82.14.530 (2)(b) as now or hereafter amended.

3. The GRANTOR shall comply with all federal, state, and local laws and codes regarding the condition of the PROPERTY and any improvements to the PROPERTY;
4. The GRANTOR shall exercise reasonable diligence to comply with the requirements of this Covenant and shall correct any such noncompliance within sixty (60) days after such noncompliance is first discovered by the GRANTOR or would have been discovered by the exercise of reasonable diligence, or within 60 days after the GRANTOR receives notice of such noncompliance from the GRANTEE or its Designee; provided however, that such period for correction may be extended by the GRANTEE if the GRANTOR is exercising due diligence to correct the noncompliance. If such noncompliance remains uncured after such period, then the GRANTEE shall be in default and the GRANTEE on its own behalf may take any one or more of the remedies set forth in this Covenant or provided in law or equity.
5. In the event of default by the GRANTOR, the GRANTOR agrees to lease the PROPERTY to another non-profit organization, subject to mutual acceptance of standard terms and conditions for similar-sized facilities and at a cost that preserves the public benefit and continues the proper use of the Property for the covenant term.
  - a. The GRANTEE may, at its sole discretion, waive this requirement if neither the GRANTOR nor the GRANTEE can identify an appropriate TENANT within six (6) months of vacancy or in the event the GRANTEE recovers the funds provided in the Agreement in full from the GRANTOR.
  - b. The GRANTEE may, at its sole discretion, waive or terminate this Covenant in the event GRANTOR relocates its operations on the PROPERTY to another property within the City of Mount Vernon, WA, or where GRANTOR becomes insolvent, leading to liquidation, and GRANTEE approves of a new owner or lawful occupant of the PROPERTY.
6. GRANTOR Covenants that it will not knowingly take or permit any action that would result in a violation of the terms of this Covenant. The GRANTEE, together with GRANTOR, may execute and record any amendment or modification of this Covenant.
7. GRANTOR acknowledges that the primary purpose for requiring compliance by GRANTOR with restrictions provided in this Covenant is to assure compliance with the Agreement terms and conditions imposed as a terms of funding by the GRANTEE, AND BY REASON THEREOF, GRANTOR IN CONSIDERATION FOR RECEIVING FUNDS TO REMODEL THE PROPERTY HEREBY AGREES AND CONSENTS THAT THE GRANTEE SHALL BE ENTITLED, FOR ANY BREACH OF THE PROVISIONS HEREIN, AND IN ADDITION TO ALL OTHER REMEDIES PROVIDED BY LAW OR IN EQUITY, TO ENFORCE BY SPECIFIC PERFORMANCE, GRANTOR'S OBLIGATIONS UNDER THIS COVENANT IN A STATE COURT OF COMPETENT JURISDICTION. GRANTOR hereby further specifically acknowledges that the beneficiaries of GRANTOR'S obligations hereunder cannot be adequately compensated by monetary damages in the event of any default hereunder.

SECTION 4  
MISCELLANEOUS

1. **Severability.** The invalidity of any clause, part, or provision of this Covenant shall not affect the validity of the remaining portions thereof.
2. **Attorneys' Fees.** If any action is brought concerning the enforcement, interpretation, or construction of this Covenant, the prevailing party shall be awarded its reasonable attorneys' fees and costs, including expert witness fees, incurred in the prosecution or defense of such action.
3. **Notices.** Any Notice shall be in writing and shall be given by depositing the same in the United States mail, postage paid and registered or certified, and addressed to the party to be notified, with return receipt requested, or by delivering the same in person to an officer or principal of such party. Notices deposited in the mail in the manner hereinabove described shall be effective upon mailing.
4. **Governing Law/Venue.** This Covenant shall be governed by the laws of the State of Washington and, where applicable, the laws of the United States of America. In the event that any litigation should arise concerning the construction, interpretation, or enforcement of this Covenant, the venue of such action of litigation shall be in the Superior Court of the State of Washington in and for the County of Skagit.
5. **Subordination.** *{Intentionally Omitted Unless Approved by the City if requested and approved}*

**GRANTOR:**

Evangelical Lutheran Salem Church of  
Mount Vernon, Washington

**GRANTEE:**

CITY OF MOUNT VERNON, WA

Amy Benson  
Name: Amy Benson

Title: Salem Lutheran Council President

Date: 11/25/25

P. Donovan  
Peter Donovan

Mayor City of Mount Vernon

Date: 11/19/2025

Attest By:

Becky Jensen  
Becky Jensen, City Clerk

Approved as to Form:

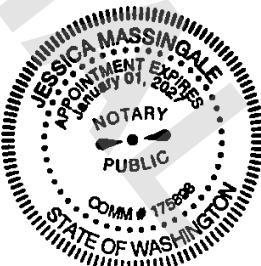
KR  
Kevin Rogerson  
City Attorney

COUNTY OF SKAGIT } ss.  
 }  
 )

I certify that I know or have satisfactory evidence that Amy E. Benson:  
\_\_\_\_\_, and/or \_\_\_\_\_ is/are the person(s) who appeared  
before me, and said person(s) acknowledged that he/she/they signed this instrument, on oath  
stated that he/she/they was/were authorized to execute the instrument and acknowledged it  
as the President of the Evangelical Lutheran Salem Church of  
Mount Vernon, Washington to be the free and voluntary act of such party for the uses and  
purposes herein mentioned.

DATED this 25 day of Nov, 2025.

Jessica W. Massingale  
Printed Name: Jessica W. Massingale  
NOTARY PUBLIC in and for the State of  
Washington, residing at Mt. Vernon, WA  
My commission expires: Jan 1, 2027



STATE OF WASHINGTON      )  
                                    ) ss.  
COUNTY OF SKAGIT      )

I certify that I know or have satisfactory evidence that Peter Donovan,  
and/or \_\_\_\_\_ is/are the person(s) who appeared  
before me, and said person(s) acknowledged that he/she/they signed this instrument, on oath  
stated that he/she/they was/were authorized to execute the instrument and acknowledged it  
as the Mayor of the City of Mount Vernon, to be the free  
and voluntary act of such party for the uses and purposes herein mentioned.

DATED this 19<sup>th</sup> day of November, 2025.

  
Kerri A. Z.  
Printed Name: Kerri A. Grechishkin  
NOTARY PUBLIC in and for the State of  
Washington, residing at Mount Vernon  
My commission expires: 5/11/27