

When Recorded Return to:

Skagit County Public Health
700 South Second Street, #301
Mount Vernon, WA 98273

Attention: Shelley Kjos

↑Reserved for Recording Purposes Only↑

Affordable Homeownership Covenant

Grantor(s): Home Trust of Skagit

Grantee(s): Beneficiary-Skagit County

Abbreviated Legal: Unit G, "SOUTHFIELD PLANNED UNIT RESIDENTIAL DEVELOPMENT (P.U.R.D.) and BINDING SITE PLAN"

Additional legals on page: ~~16~~

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Assessor's Tax Parcel Number(s): 8082-000-007-~~000~~/P128680

This Skagit County HOME Investment Partnerships Program Covenant ("Covenant") is made by Home Trust of Skagit, a Community Land Trust ("Grantor") and is part of the consideration for the financial assistance provided by Skagit County ("County") for the benefit of Sarah Zeigler, a low- to moderate-income homebuyer, for the acquisition of a principal residence located on the real property described below:

914 Park Street, La Conner, WA (Property Description), recorded 30 day of Dec' 2025, under Auditors File No. 202512300046, records of Skagit County, State of Washington; Situate within the County of Skagit, State of Washington.

202512300046

UNDER SKAGIT COUNTY AUDITOR'S FILE NO. _____ RECORDS OF SKAGIT COUNTY, WASHINGTON.

SITUATE IN SKAGIT COUNTY, WASHINGTON (the "Property").

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 fifteen years and thirty days beginning on the date of execution of this Covenant.

The covenants contained herein are to be taken and construed as covenants running with the land and shall pass to and be binding upon the Grantor, its successors and assigns, heirs, grantees, or lessees of the Property, beginning on the date of execution of this Covenant and ending after fifteen years and a thirty, as set forth in the Agreement. Each and every contract, deed, or other instrument covering or conveying the Property, or any portion thereof, shall be conclusively held to have been executed, delivered and accepted subject to such covenants, regardless of whether such covenants are set forth in such contract, deed, or other instruments.

NOW, THEREFORE, it is hereby covenanted, for the fifteen years and thirty days, commencing on the date of execution of this Covenant, as follows:

1. This Property was made available to the low- to moderate-income homebuyer with the aid of funds from the HOME Investment Partnerships Program. The condition of this financial assistance restricts resale of the property. Grantor covenants as follows:
 - a. The Property must be made available for subsequent purchase only to a buyer whose household qualifies as a low-income household and will use the property as the household's principal residence. A low-income household is a household at or below 80% of area median income, adjusted for household size, in Skagit County, Washington. The County must verify and qualify the subsequent buyer's income.
 - b. Homeowners that sell County-assisted housing are provided a fair return on their investment, while ensuring that the home is sold to another income-qualified household. The calculation of a fair return on investment is set forth in the Homebuyer Resale Agreement entered into between Home Trust of Skagit and Homebuyer, and incorporated into this covenant as Exhibit A.
 - c. If HUD ceases to provide such estimates of median income, then median income shall mean such comparable figure for Skagit County, Washington published or reported by a federal, state, or local agency as Grantee shall select.
2. Principal Residence. The Property must be used as the principal residence, and no temporary or permanent sublease or rent is allowed, whether payment for such sublease or rent is received by the Grantor or not. Principal Residence is defined as a single dwelling house or other dwelling unit that is the place of residence, at which at least one natural person who constitutes the legal owner(s) of the housing unit predominantly resides for more than 183 days of each annual year starting January 1st through December 31st. Determination of Principal Residence may include, but not be limited to, the owner's declared address or other

verifiable resources for electoral, utility, taxation, government assistance programs, or any other form of evidence deemed acceptable to the County.

3. Compliance with State and Local Requirements. The Grantor will provide safe and sanitary housing, and will comply with all state and local housing codes, licensing requirements, and other requirements regarding the condition of the structure and the operation of the project in the County.
4. Records. The Grantor will keep any records and make any reports relating to compliance with this covenant that Grantee may reasonably require.
5. Default: In the event that Grantor, or Grantor's successor-in-interest, (a) fails to maintain or use the Property as residential, or (b) the present and future occupants of the units subject to this Low-Income Covenant do not meet the foregoing income limits at the time of their initial occupation of the Property, Grantor shall take all legal steps necessary to terminate the tenancies of such occupants as expeditiously as possible. Failure to commence such steps within thirty (30) days following Grantor becoming aware of the fact that the tenants were over income at the time of their initial occupancy shall constitute an Event of Default hereunder and under the terms of the Agreement. In the event legal action is required to enforce the foregoing condition, the prevailing party shall be entitled to an award of reasonable attorney's fees and all the cost of any legal action and title searches.

This covenant touches and concerns the Property and shall run with the Property and is for the benefit of the general public and shall be binding upon the Grantor's heirs, devisees, executors, administrators, successors and assigns. It may not be revoked without the prior written consent of Grantee.

Luisa Gagne
Signature

12.22.25
Date

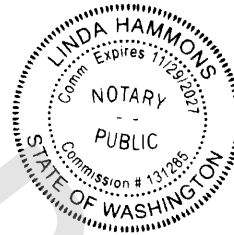
County of Skagit }

Dated: December 22, 2025

Printed Name: Linda Hammons

Residing at Shagit County, WA

My appointment expires 11-29-2027



By:

Felicia Minto

Executive Director

STATE OF WASHINGTON, }
 } SS.

I certify that I know or have satisfactory evidence that Felicia Minto is the person who appeared before me, and said person acknowledged that s/he signed this instrument and acknowledged it to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument

Dated: 12/3/2025

Glynn White
Notary Public in and for the State of Washington

Printed Name: Elijah James White

Residing at Anncortes

My appointment expires 06-29-2028



EXHIBIT A

UNIT 6
OFFICIAL DOCUMENT

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 NORTH 59
DEGREES 59' 20' WEST ALONG THE NORTH LINE OF SAID SOUTHFIELD P.U.R.D. A DISTANCE OF 171.94
FEET; THENCE SOUTH 30 DEGREES 00' 40' WEST A DISTANCE OF 55.45 FEET TO THE TRUE POINT OF
BEGINNING; THENCE SOUTH 59 DEGREES 58' 48' EAST A DISTANCE OF 43.99 FEET; THENCE SOUTH 30
DEGREE 01' 12' WEST A DISTANCE OF 36.10 FEET; THENCE NORTH 59 DEGREES 58' 48' WEST A
DISTANCE OF 43.99 FEET; THENCE NORTH 30 DEGREES 01' 12' EAST A DISTANCE OF 36.10 FEET TO
TRUE POINT OF BEGINNING. SAID DESCRIPTION CONTAINS 1,590 +/- SQ.FT. Unit G.

**SKAGIT COUNTY
HOME TRUST OF SKAGIT**

HOMEBUYER RESALE AGREEMENT

This Agreement regarding HOME Investment Partnerships development assistance, dated as of December 3rd, 2025 (the "Agreement"), is made and entered into by and between the Home Trust of Skagit ("HTS") as subrecipient of funds provided by Skagit County ("County"), and Sarah Zeigler ("Homebuyer") and collectively referred to as "Parties".

Property Address: 914 Park St. LaConner WA 98257 hereafter referred to as "Purchased Property"

RECITALS:

WHEREAS, Skagit County, as lead agency for the Skagit County Consortium, has received funding from the U.S. Department of Housing and Urban Development (HUD) HOME Investment Partnerships Program (HOME); and

WHEREAS, the Skagit County Consortium has allocated a portion of these HOME funds for the development of affordable homes for purchase by low- and moderate-income households; and

WHEREAS, Skagit County has awarded these development costs to Home Trust of Skagit to assist in the construction of homes as a part of the Home Trust of Skagit Channel Cove Development to contribute the long-term affordability of these homes; and

WHEREAS, Homebuyer wishes to purchase and occupy a HOME-assisted home in the Home Trust of Skagit Channel Cove Development on the terms and conditions contained in this Agreement;

NOW THEREFORE, in consideration of the promises and mutual agreements contained herein, the Parties hereto do hereby agree as follows:

AGREEMENT:

This Agreement identifies the requirements pursuant to the Agreement between HTS and the County to provide development assistance for the construction of a home made available to the Homebuyer to purchase a residence ("Home") within the County. The funds provided for the purchase of the Qualifying Home may be comprised of HOME Funds in an amount up to \$39,999.

Therefore, and as a condition to participation in that program, Homebuyer and HTS make the following additional covenants, representations, and warranties:

I. Definitions:

- A. "Agreement" means a document to comply with the regulations at 24 CFR Section 92.254.
- B. "Covenant" means a covenant recorded with the County securing resale restrictions on the purchased property.

- C. "County Funds" means funds derived from federal grants to the County under the HOME Investment Partnerships Program (HOME), including program income as defined in HUD regulations for HOME.
- D. "Eligible Homebuyer" means:
- (i) any individual, or individual and his or her spouse/partner who currently do not own a home;
 - (ii) who will reside in the purchased property as their primary residence who sign the Covenant, related Ground Lease and other required documents;
 - (iii) who have completed a Homebuyer Education Program, completed the One-to-One Pre-Purchase Housing Counseling from an Approved Housing Counseling Agency and has scheduled and agreed to attend One-on-One Post-Purchase Housing Counseling; and
 - (iv) whose Household has an Annual Income (as of the date of signing the purchase agreement in the case of new home being constructed, or as of the date of purchase in the case of an existing home) that does not exceed the lesser of:
 - a. household income must be at, or under 80% of the Skagit County area median income, adjusted for household size based on the WSHFC Tax Credit and Bond Financed properties limits.
 - b. the maximum income level permitted by federal regulations applicable to loans of HOME Funds for homebuyer assistance or HOME income limits.
- E. "Household" means one or more persons occupying a housing unit.
- F. "HOME" means the federal HOME Investment Partnerships Program.
- G. "HOME Funds" means funds derived from the federal grants to the County under HOME, including program income as defined in HUD regulations for HOME.
- H. "HUD" means the United States Department of Housing and Urban Development or any successor to its functions.
- "Modest Housing" means housing with a purchase price that does not exceed 95% of the median value of owner-occupied homes as provided to Home Trust of Skagit from the County.

II. Use of County Funds:

1. Development Assistance Funds. Homebuyer acknowledges that the County has contracted with HTS to reimburse certain eligible development costs associated with the Purchased Property that has increased the affordability of the Purchased Property for the benefit of Homebuyer.
2. Use of Proceeds. Homebuyer and HTS agrees that the HOME development funds shall be used solely to offset the costs of constructing the Home. Homebuyer represents and warrants that:
 - a. Homebuyer is purchasing the Home in good faith for use as the principal residence of Homebuyer;

- b. Homebuyer does not have any arrangement or understanding involving the intended resale, lease, or other transfer of the Home by Homebuyer; and
 - c. The total purchase price of the Home is \$288,522.09 and does not exceed the maximum purchase price limit set by HUD in 24 CFR 92.254(a)(2)(iii).
 - d. Homebuyer has fully disclosed all income and other eligibility requirements to Home Trust of Skagit and warrants that they meet all eligibility criteria required by Home Trust of Skagit and further agrees to at all times be compliant with all federal laws including but not limited to all HUD laws, regulations, guidelines and policies as currently enacted and as may be enacted/issued during the required "Affordability Period," defined below.
3. Deadline for Completion of Purchase and Occupancy. Homebuyer agrees that the Home purchase funded in part with HOME Funds be completed no later than 60 days after the date of this Agreement, and that the jurisdiction shall have no obligation to make any disbursement if the purchase is not completed by that date. Homebuyer shall occupy the Home as Homebuyer's principal residence no later than 60 days after the date of the Covenant.

III. Affordability Restrictions:

- 1. Affordability Period. Homebuyer understands the Affordability Period of this Resale Agreement shall begin on the date of signing of this agreement and shall end fifteen (15) years and thirty (30) days from the date of recording the Covenant.
- 2. Property Value. Homebuyer agrees that the value of the Home, as determined by appraisal completed not more than 60 days from the date of this agreement is \$511,600.
- 3. Homebuyer Principal Residence. Homebuyer understands that funds are provided under a County affordable housing development program. Homebuyer understands the intent of the program is to provide assistance for the development of Home residence units for sale to eligible homebuyers only so long as such HOME housing units are the principal residence of Homebuyer, and no temporary or permanent sublease or rent is allowable, whether payment for such sublease or rent is received by the Homebuyer or not.
- 4. Resale Provisions. Homebuyer agrees that the County provided financial assistance subject to a Covenant that restricts resale. During the Affordability Period, the Home shall meet the following resale restrictions:
 - a. Resale Process. The homebuyer must notify the County prior to offering the home for sale. The homebuyer will need to provide the County with documentation of principal paid, capital improvements made, and capital systems replaced in order to help determine the homebuyer's fair return on investment. Within thirty days, the County will provide a written response regarding the homeowner's fair return on investment.
 - b. In addition to the requirement to sell to an Eligible Homebuyer, the Home must remain affordable to a reasonable range of Eligible Homebuyers. The affordable price includes housing cost for mortgage principal, interest, taxes and insurance of not more than 38% of the gross monthly income for a household at or below 80% of the area median income, adjusted for household size. To accomplish this, proceeds from the sale that

exceed the fair return on investment will be returned to the Home Trust CHDO's HOME account to be used to make the unit affordable for a subsequent homebuyer.

- c. A homeowner that sells a HOME-assisted home is provided a fair return on her/his investment. The homeowner that sells a home may receive from sale proceeds their original contribution (down payment), plus amounts paid towards mortgage principal, plus the value of any credit-eligible improvements or replacements paid by homeowner plus/less any agreed-upon appreciation/depreciation. The calculation is further described below:
1. Cash downpayment. The amount of cash paid by the homebuyer to acquire the property.
 2. Amount paid to principal. The amount of cash paid by the homebuyer that is credited to principal on a mortgage on the property.
 3. Capital improvements. The addition of livable space (bedroom, bathroom, finished basement, finished attic space, porch or deck, the addition of a garage (either attached or detached)) shall be considered a Qualified Capital Improvement. In order to receive credit for a Qualified Capital Improvement, the homebuyer must submit to the Consortium (or leaseholder if a community land trust), prior to commencing construction, detailed plans, itemization of expected costs and permits for the proposed construction. The Consortium (and leaseholder if a community land trust) may agree to the scope of the proposed construction and timeline for completion, in addition to the future affordability of the improvements for subsequent resale to qualified low-income homebuyers. Fifty percent of the value of the qualified Capital Improvements that is agreed to in advance by the Consortium (or community land trust) shall qualify as Capital Improvement Credit.
 4. Capital Systems Replacement. For the purpose of qualifying as a Capital Systems Replacement, the roof, plumbing (excluding fixtures), foundation, electrical (excluding fixtures), heating, sewer line, insulation, or windows, shall be considered Capital Systems if at least fifty percent of the Capital System is replaced and the new Capital System has an expected life-span of at least thirty years. The addition of alternative energy production system(s) shall qualify for credit under this passage. In order to receive a credit for Capital Systems Replacement, the homeowner must consult with the Consortium (or community land trust) prior to replacing a Capital System, and an agreement must be reached between the homeowner and Consortium (or community land trust) regarding the scope and cost of the proposed replacement. The intention of this credit is to encourage and create incentives for homeowners to maintain the functionality of these systems and to increase the quality of energy efficiency, durability and ease of maintenance over time while simultaneously maintaining affordability. Provided all conditions of this paragraph and the agreement between the Consortium (or

community land trust) and homeowner described herein are met, the following payment schedule shall apply:

If the home sale is less than 10 years from Capital System Replacement, 100 percent of the cost can be credited. If the home sale is between 10 and 20 years from Capital System Replacement, 50 percent of the cost can be credited. Replacement of less than fifty percent of any Capital System will be considered repair and the cost of such a repair will not be eligible for credit under this section.

5. Appreciation/Depreciation. Skagit County uses the housing price index (HPI) calculator, provided by the Federal Housing Finance Agency, to achieve its dual goals of providing a fair return to the original homeowner/seller at resale and ensuring an affordable price to the incoming, low-income homebuyer. The calculator can be accessed at <https://www.fhfa.gov/datatools/tools/pages/hpi-calculator.aspx> using the Mount Vernon-Anacortes, WA MSA.

The resale formula stipulates that the homeowner, should they choose to sell, will be able to sell the home for the original price paid (not including the HOME subsidy at the time of purchase) plus 25% of any increase in the combined value of the home and land based on the HPI during the time of ownership. Additionally, at resale, the homeowner is allowed to receive an equity "credit" for qualified capital improvements made, as follows: 100% of the increase in appraised value attributable to the addition of one (1) or more bedroom and one (1) or more bathroom and 50% of the actual cost for the work of other qualified capital improvements.

6. Fair Return at Resale Example. An example of how the resale formula is designed to work, using hypothetical market conditions, is as follows:

At initial purchase:

	Market value of land and improvements, as determined by
205,000.00	appraisal at initial purchase
25,000.00	HOME development subsidy
180,000.00	Purchase price of home paid by homebuyer

At resale, five (5) years later:

292,000.00	Market value of land and improvements, based on HPI calculator at time of resale
87,000.00	Increase in value of land and improvements from initial purchase to resale
0.25	Homeowner's percentage share of appreciation in value

	Homeowner's dollar value of appreciation per resale formula
21,750.00	$(\$87,000 \times 25\% = \$21,750)$
2,500.00	Homeowner's initial cash downpayment
4,500.00	Amount of principle paid by homeowner
7,500.00	Capital improvements (addition of garage after receiving prior approval)
1,400.00	Capital system replacement—replace water heater in the past year
37,650.00	Homeowner Fair Return on Investment

Sale to next buyer:

292,000.00	Value of land and improvements, based on HPI calculator at time of resale
(65,250.00)	Less reinvestment of increase in value of land and improvements from initial purchase to resale
226,750.00	Calculated purchase price paid by incoming low-income homebuyer benefiting from reinvestment appreciation

In this example, the home is sold to an income-eligible household—a property that now has a Housing Price Index-calculated market value of \$292,000.00—for an affordable price of \$226,750.

- d. By using a market rate appraisal conducted by an independent, state-licensed appraiser to establish the value of the property prior to the initial purchase of the home, Skagit County follows the standard practice for all real estate purchase transactions. By using the Housing Price Index to determine the value, upon notice of intent to sell by the homeowner, Skagit County ensures that the previous and prospective homeowners and the public have a transparent method of determining the home price. In this way, the market values are easily measured, professionally determined, and publicly accessible.

No subjective judgments are made by Skagit County or the homeowner as to what constitutes value and how value is determined. If, at any time, the resale provisions contained in this Agreement are in conflict with any HUD-issued policies or guidelines as currently issued or may be issued/enacted subsequent to the execution of this Agreement, those policies or guidelines shall control and be binding and enforceable against Homebuyer and HTS. The County agrees to provide notice to Homebuyer if County becomes aware of any issues, policies, and/or guidelines that conflict with the terms set forth in this agreement, County shall have the right to record any subsequently issued policies or guidelines against the Purchased Property.

IV. Additional Documentation Required:

The County reserves the right to request any documentation from parties to this agreement necessary to meet requirements imposed by HUD or other state or federal regulatory agency.

V. Recapture and Consent to Lien:

Homebuyer acknowledges that the County funds are being provided by the County in cooperation with HTS and that if at any time the Homebuyer or HTS has violated or is not in compliance with this Agreement, the Covenant, the executed Ground Lease with HTS, or any State or Federal law/regulation including but not limited to any HUD issued guidance, policies as currently or may be enacted/issued, Homebuyer and/or HTS will be required to return the full amount of development assistance related to the Purchased Property. Further, Homebuyer consents to the County's ability to issue a lien against Purchased Property for the full amount of development assistance.

VI. Refinancing:

Homebuyer buyers may refinance their mortgage, but must contact the County before doing so. Consideration for loan subordination is subject to County review and approval, and is completed only when the new loan terms are reasonable. No cash may be withdrawn as part of the refinancing. Refinancing does trigger repayment of the balance of HOME funds unless the Consortium agrees to subordination.

VII. Severability:

If any term or condition of this contract or the application thereof to any person(s) or circumstances is held to be invalid, such invalidity shall not affect the other terms, conditions or applications which can be given effect without the invalid term, condition or application. To this end, the terms and conditions of this contract are declared severable.

VIII. Neutral Authorship:

Each of the terms and provisions of this Agreement have been reviewed and negotiated, and represents the combined work product of the parties hereto. No presumption or other rules of construction which would interpret the provision of this Agreement in favor of or against the party preparing the same shall be applicable in connection with the construction or interpretation of any of the provisions in this Agreement. The parties represent that they have had a full and fair opportunity to seek legal advice with respect to the terms of this Agreement and have either done so, or have voluntarily chosen not to do so. The parties represent and warrant that they have fully read this Agreement, that they understand its meaning and effect, and that they enter into this Agreement with full knowledge of its terms. The parties have entered into this Agreement without duress or undue influence.

IX. Status of Agreement:

The provisions stated above are in addition to those contained within Ground Lease and do not in any way abrogate the rights any party contained within the Ground Lease.

Executed effective this 03 day of December, 20 25.

(Signature pages follow)

HOMEBUYER(S):

Signature

Date

Dec 03, 2025

Signature

Date

STATE OF WASHINGTON, }
 } SS.
County of Skagit }

I certify that I know or have satisfactory evidence that Sarah Zeigler is the person(s) who appeared before me and said person acknowledged that he/she signed this instrument and acknowledged it to be the free and voluntary act for the uses and purposes mentioned in the instrument.

Dated: 12/3/2025

Elyah White Elyah James White
Notary Public in and for the State of Washington,
residing at Anacortes
My commission expires 06-29-2028



HOME TRUST OF SKAGIT

Name

Title

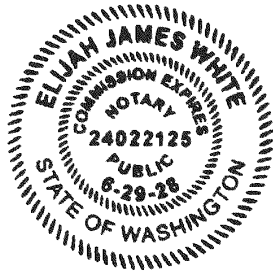
Date

STATE OF WASHINGTON, }
County of Skagit } SS.

I certify that I know or have satisfactory evidence that Felicia Minto is the person who appeared before me and said person acknowledged that she signed this instrument as the Executive Director of Home Trust of Skagit, and acknowledged it to be the free and voluntary act of such entity for the uses and purposes mentioned in the instrument.

Date: 12/3/2025

Elijah White Elijah James White
Notary Public in and for the State of Washington,
residing at Anacortes
My commission expires 06-29-2028



Lusia Joaze
Signature

Date 12.22.25

I certify that I know or have satisfactory evidence that Trisha Loure is the person who appeared before me, and said person acknowledged she signed this instrument on oath stated she was authorized to execute the instrument and acknowledged it as the Administrator of **SKAGIT COUNTY** to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Signature of Notary Public

Name Printed _____

Title

My Appointment Expires: 11.29.2027

