

When Recorded Return To:

Washington State Department of Commerce
Homeownership Unit
1011 Plum Street SE
Post Office Box 42525
Olympia, Washington 98504-2525

Attention: Homeownership Unit

LOW INCOME HOUSING COVENANT AGREEMENT

Grantor (Borrower): Home Trust of Skagit
Grantee (Lender): Washington State Department of Commerce
Legal Description (abbreviated): Unit G, Southfield PURD
Unit H, Southfield PURD & BSP
Unit C-2 (South ½), Southfield PURD BSP
Unit C-2 (North ½), Southfield PURD BSP
Unit I-3, Southfield PURD
Lot 423, Skagit Highlands Div 5, Ph 1
(Full Legal Description on Exhibit A, page 5&6)
P128672
Assessor's Tax Parcel ID#: P128681, P128680, P136855, P128682, P128684, P131771
P128671
Contract Number: 19-94110-037

THIS LOW INCOME HOUSING COVENANT AGREEMENT (the "Covenant") is made by Home Trust of Skagit, a Washington non-profit corporation ("Grantor"), and is part of the consideration for the financial assistance provided by the Washington State Department of Commerce, a State Agency of the State of Washington ("Grantee"), to Home Trust of Skagit pursuant to Housing Trust Fund (HTF) Contract Number 19-94110-037 (the "Contract"), for the Affordability Subsidy of real property legally described as follows:

Full Legal Description attached hereto on pages 5 & 6 (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 and is construed as running with the land which shall pass to and be binding upon the Grantor, its successors and assigns, heirs, grantees, or lessees of the Property, beginning March 16, 2021 and ending March 15, 2046. 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, as follows:

1. The six (6) affordable single-family residence in the Property will be leased to and occupied by households that at the time of initial occupancy have gross annual household incomes at or below eighty percent (80%) of the Area Median Income (AMI) level(s) for the County and AMI Area identified in Exhibit B, attached hereto. Income limits for each HTF unit may not exceed the current HTF income limit for the AMI of the target population(s) identified in Exhibit B, as adjusted for unit size and published annually by the Grantee. The HTF income limit is a gross income limit. The mortgage paid plus the allowance for owner-paid utilities may not exceed the affordable payment limit as set by HTF guidelines for an income-eligible owner or subsequent buyer of the Property.

2. The Grantor will ensure that if the Property is sold between March 16, 2021, and March 15, 2046, then any such sales agreement will include income and resale price restrictions consistent with this Covenant. Should the Grantor sell the property to another organization that removes any of the units from the HTF Contract, the Grantor must obtain approval prior to the sale in writing from an authorized representative of Grantee. Grantor will also ensure that any such sales agreement will allow Grantee the right to enforce such income and resale price restrictions against the purchaser consistent with this Covenant and the Contract.

3. 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 jurisdiction in which the housing is located.

4. The Grantor will keep any records and make any reports relating to compliance with this covenant that the Grantee may reasonably require.

5. DEFAULT: If a violation of this Covenant occurs, the Grantee (or its successor agency) may, after thirty (30) days' notice to the Grantor, institute and prosecute any proceeding at law or equity to abate, default the Contract, prevent, or enjoin any such violation or to compel specific performance by the Grantor of its obligations hereunder; provided that, the Grantor shall not be required by any provision herein to evict a residential tenant. No delay in enforcing the provisions hereof as to any breach or violation shall impair, damage, or waive the right of any party entitled to enforce the provisions hereof or to obtain relief against or recover for the continuation or repetition of such breach or violations or any similar breach or violation hereof at any later time.

6. The Grantee acknowledges and agrees that this Covenant is subordinate to any "Specified Mortgage" as outlined in any Ground Lease or Deed Restriction recorded by the Grantor. Notwithstanding the foregoing, neither the Covenant, Deed Restriction, nor the Ground Lease shall be wholly terminated because of any default or foreclosure of any Specified Mortgage. The Specified Mortgage includes any first mortgage purchase loan and any additional down payment assistance loans on the Unit(s) identified under

Section 1 above. Further, the Grantee acknowledges that, subject to any right of first refusal by the Grantor in a Ground Lease or Deed Restriction of record, upon the latter of a foreclosure or recordation of a deed in lieu of foreclosure by a Specified Mortgagee, all restrictions in this Covenant (including limits on income, sales price, ownership, use of property and ability to lease or sub lease) shall be permanently terminated and have no further force or effect on that portion of the Property subject to the Ground Lease or Deed Restriction for the Unit(s). For the avoidance of doubt, the release of the Covenant restrictions is intended to apply only to the real property underlying the subject home funded under the Specified Mortgage.

[SIGNATURE AND NOTARY BLOCKS FOLLOW]

IN WITNESS HEREOF, Home Trust of Skagit has executed this Covenant on the 24 day of December 2025.

HOME TRUST OF SKAGIT,
a Washington non-profit corporation

By:

Printed Name: Felicia Minto

Title: Executive Director

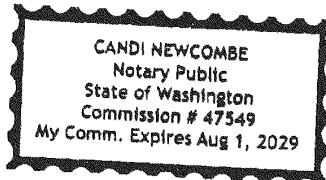
STATE OF WASHINGTON)
) ss.
COUNTY OF SKAGIT)

On this 24 day of December 2025, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Felicia Minto, to me personally known (or proved to me on the basis of satisfactory evidence) to be the Executive Director of **Home Trust of Skagit**, a Washington non-profit corporation, and acknowledged said instrument to be the free and voluntary act and deed of such corporation, for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute the said instrument.

(Seal or Stamp)

Carrie Parker
(Signature of Notary)

Candi Newcombe
(Legibly Print or Stamp Name of Notary)



NOTARY PUBLIC in and for the State of Washington

My Commission Expires:

Contract Number: 19-94110-037
19-94110-037 Covenant

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Low Income Housing Covenant Agreement
10/17/2025

EXHIBIT A

LEGAL DESCRIPTION

The Land referred to herein below is situated in the County of Skagit, State of Washington and is described as follows:

1. Parcel: P128681 Address: 912 Park Street, La Conner, WA 98257
Unit H, "SOUTHFIELD PLANNED UNIT RESIDENTIAL DEVELOPMENT (P.U.R.D.) and BINDING SITE PLAN", approved June 23, 2009, and recorded July 24, 2009, under Auditor's File No. 200907240089, and more particularly described as follows:
Commencing at the Northeast corner of said Southfield P.U.R.D.;
thence North 59°59'20" West, along the North line of Southfield P.U.R.D., a distance of 114.79 feet;
thence South 30°00'40" West, a distance of 55.72 feet to the true point of beginning;
thence South 59°32'55" East, a distance of 43.98 feet;
thence South 30°27'05" West, a distance of 39.49 feet;
thence North 59°32'55" West, a distance of 43.98 feet;
thence North 30°27'05" East, a distance of 39.49 feet to the true point of beginning.

Situate in the Town of La Conner, County of Skagit, State of Washington.

2. Parcel: P128680 Address: 914 Park Street, La Conner, WA 98257
Unit G, "SOUTHFIELD PLANNED UNIT RESIDENTIAL DEVELOPMENT (P.U.R.D.) AND BINDING SITE PLAN", approved June 23, 2009, recorded July 24, 2009, under Auditor's File No. 200907240089 and more particularly described as follows:
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°59'20" West along the North line of said Southfield P.U.R.D., a distance of 171.94 feet;
thence South 30°00'40" West, a distance of 55.45 feet to the true point of beginning;
thence South 59°58'48" East, a distance of 43.99 feet;
thence South 30°01'12" West, a distance of 36.10 feet;
thence North 59°58'48" West, a distance of 43.99 feet;
thence North 30°01'12" East, a distance of 36.10 feet to the true point of beginning.

Situate in the Town of La Conner, County of Skagit, State of Washington.

3. Parcel: P128672 Address: 916 Park Street, A, La Conner, WA 98257
Unit C-2 (South 1/2), "SOUTHFIELD PLANNED UNIT RESIDENTIAL DEVELOPMENT (P.U.R.D.) and BINDING SITE PLAN", approved June 23, 2009, and recorded July 24, 2009, under Auditor's File No. 200907240089, and more particularly described as follows:
Commencing at the Northeast corner of said Southfield P.U.R.D.;
thence North 59°59'20" West, along the North line of Southfield P.U.R.D., a distance of 265.60 feet;

thence South 30°00'40" West along the West line of said Southfield P.U.R.D., a distance of 101.70 feet;
thence South 59°59'20" East, a distance of 20.52 feet to the true point of beginning;
thence North 65°51'00" East, a distance of 25.99 feet;
thence South 24°09'00" East, a distance of 43.83 feet;
thence South 65°51'00" West, a distance of 25.99 feet;
thence North 24°09'00" West, a distance of 43.83 feet to the true point of beginning.

4. Parcel: P128671 Address: 916 Park Street, B, La Conner, WA 98257
Unit C-2 (North 1/2), "SOUTHFIELD PLANNED UNIT RESIDENTIAL DEVELOPMENT (P.U.R.D.) and BINDING SITE PLAN", approved June 23, 2009, and recorded July 24, 2009, under Auditor's File No. 200907240089, and more particularly described as follows:
Commencing at the Northeast corner of said Southfield P.U.R.D.;
thence North 59°59'20" West, along the North line of Southfield P.U.R.D., a distance of 265.60 feet;
thence South 30°00'40" West along the West line of said Southfield P.U.R.D., a distance of 101.70 feet;
thence South 59°59'20" East, a distance of 20.52 feet;
thence North 65°51'00" East, a distance of 25.99 feet to the true point of beginning;
thence North 65°51'00" East, a distance of 25.99 feet;
thence South 24°09'00" East, a distance of 43.83 feet;
thence South 65°51'00" West, a distance of 25.99 feet;
thence North 24°09'00" West, a distance of 43.83 feet to the true point of beginning.

Situate in the Town of La Conner, County of Skagit, State of Washington.

5. Parcel: P128684 Address: 918 Park Street, Unit I-3, La Conner, WA 98257
Unit I-3, "SOUTHFIELD PLANNED UNIT RESIDENTIAL DEVELOPMENT (P.U.R.D.) and BINDING SITE PLAN", approved June 23, 2009, and recorded July 24, 2009, under Auditor's File No. 200907240089, and more particularly described as follows:
Commencing at the Northeast corner of said Southfield P.U.R.D.;
thence South 29°56'00" West, along the East line of said Southfield P.U.R.D., a distance of 155.40 feet;
thence North 60°04'00" West, a distance of 31.18 feet to the true point of beginning;
thence North 87°31'46" West a distance of 44.31 feet;
thence North 02°28'14" East, a distance of 35.31 feet;
thence South 87°31'46" East, a distance of 44.31 feet;
thence South 02°28'14" West, a distance of 35.31 feet to the true point of beginning.

Situate in the Town of La Conner, County of Skagit, State of Washington.

6. Parcel: P131771 Address: 5258 Wellspring Road, Mount Vernon, WA 98273
Lot 423, Skagit Highlands Division V (Phase 1), according to the plat thereof, recorded on December 21, 2006, under Auditor's File No. 200612210067, records of Skagit County, Washington.

EXHIBIT B

TARGET POPULATION TO BE SERVED BY PROJECT

The following target population shall be housed on the Property from the time the Project is Placed in Service through the end of the Contract Commitment Period.

Table B-1. Area Median Income (AMI) Counties and Areas

County	AMI Area
Skagit	Mount Vernon-Anacortes, WA Metropolitan Statistical Area

Table B-2. Income Levels and Target Populations

Income Levels and Unit Counts		Populations Assisted	
% of Area Median Income	Units	Population Type	Homebuyers
Up to 80%	4	Low Income Homebuyer	4
Up to 60%	2	Low Income Homebuyer	2
Total =	6	Total =	6

In addition to the definition of "first-time home buyer" in RCW 43.185A.010, for the purposes of this contract only, "first-time home buyer" also includes:

- (I) A single parent who has only owned a home with a former spouse while married;
- (II) An individual who is a displaced homemaker as defined in 24 C.F.R. Sec. 93.2 as it existed on the effective date of this section, or such subsequent date as may be provided by the department by rule, consistent with the purposes of this section, and has only owned a home with a spouse;
- (III) An individual who has only owned a principal residence not permanently affixed to a permanent foundation in accordance with applicable regulations; or
- (IV) An individual who has only owned a property that is discerned by a licensed building inspector as being uninhabitable.