



200209270198

Skagit County Auditor

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When Recorded Return To:

Washington State Department of Community,
Trade and Economic Development
Office of Community Development
Housing Finance Unit
906 Columbia Street Southwest
Post Office Box 48350
Olympia, Washington 98504-8350

Attention: Sharon Robinson, (360) 725-2938

ISLAND TITLE CO.

A21194 ✓

LOW INCOME HOUSING COVENANT AGREEMENT

Grantor (Borrower): Housing Authority of the City of Anacortes
Grantee (Lender): Department of Community, Trade and Economic Development, Office of Community Development

Assessor's Tax Parcel ID#: 3792-006-020-0000 and 3837-005-024-0004

Legal Description (abbreviated): Ptn Block 6, GRIFFIN'S 1st ADD and Ptn Block 5, WHITE'S 1st ADD

Contract Number: 02-49300-101

This Low Income Housing Covenant Agreement (the "Covenant") is made by Housing Authority of the City of Anacortes, a Washington housing authority, ("Grantor") and is part of the consideration for the financial assistance provided by the Department of Community, Trade and Economic Development, Office of Community Development, a department of the State of Washington ("Department"), to Housing Authority of the City of Anacortes pursuant to a Housing Finance Unit Agreement, Contract Number 02-49300-101 (the "Contract"), for the acquisition and rehabilitation of real property ("Property") legally described as follows:

See attached Exhibit "A"

(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 forty (40) years beginning January 1, 2004 and ending December 31, 2044.

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, his successors and assigns heirs, grantees, or lessees of the Property, beginning January 1, 2004 and ending December 31, 2044. 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.

1. The residential units in the Property will be rented to low income households who at the time of initial occupancy have gross annual household incomes at or below sixty percent (60%) of the local area median income for Skagit County, Washington, adjusted for family size, as estimated from time to time by the United States Department of Housing and Urban Development ("HUD"). 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 the Department shall select. Rents shall be adjusted for family size and are less the monthly allowance for customary utilities and services (excluding telephone, cable television and other telecommunications), to be paid by tenant.

2. 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.

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

4. DEFAULT: If a violation of this Covenant occurs, the Department may, after thirty days notice to the Grantor, institute and prosecute any proceeding at law or equity to abate, default the loan, 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.

IN WITNESS HEREOF, Housing Authority of the City of Anacortes has executed this Covenant on the 26th day of September, 2002.

WITNESS:

Housing Authority of the City of Anacortes,
a Washington housing authority

By: *Theresa McCallum*

Print Name: TERESA McCallum

Title: EXECUTIVE DIRECTOR

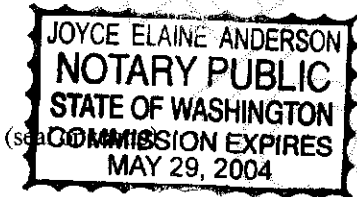


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STATE OF WASHINGTON)
) ss.
COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that Theresa McCallam the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the EXECUTIVE DIRECTOR of Housing Authority of the City of Anacortes, a Washington housing authority, to be the free and voluntary act and deed of such housing authority for the uses and purposes mentioned in the instrument.



Date: 9-26-2002

Joyce Elaine Anderson
Notary Public in and for the State of Washington,
residing at Anacortes

My commission expires 5-29-2004

Joyce Elaine Anderson
Notary Public in and for the State of Washington,
Residing in the county of SKAGIT

My appointment expires: 5-29-2004



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EXHIBIT "A"

A parcel of land located in the City of Anacortes, County of Skagit, State of Washington, more particularly described as follows:

Beginning at the intersection of the North line of 30th Street and the West line of "R" Avenue as platted in Whites First Addition to the City of Anacortes;
thence Northerly along the West line of "R" Avenue 512 feet to the point of intersection with the South line of 28th Street;
thence West along said South line of 28th Street, a distance of 230 feet;
thence South and parallel with the West line of R Avenue, a distance of 396 feet to the point of intersection with the North line of the alley in Block 5, Whites First Addition to the City of Anacortes;
thence East 130 feet along the North line of the alley in said Block 5 to the point of intersection with the West line, produced North, of Lot 21, Block 5, Whites First Addition to the City of Anacortes;
thence South 116 feet along the West line of said Lot 21 to the point of intersection with the North line of 30th Street;
thence East 100 feet along said North line of 30th Street to the point of beginning; and situate in the Southwest Quarter of Section 19, Township 35 North, Range 2 East of the Willamette Meridian and the Northwest Quarter of Section 30, Township 35 North, Range 2 East of the Willamette Meridian;

Situated in Skagit County, Washington.

- END OF EXHIBIT "A" -


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