

RESOLUTION R- 3830

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND AUTHORIZING CONVEYANCE OF SURPLUS LAND TO HABITAT FOR HUMANITY OF EAST KING COUNTY FOR DEVELOPMENT OF AN AFFORDABLE HOUSE.

Whereas, the City has no projected need for certain City owned property on Northeast 60th Street in Kirkland, Washington, commonly known as a portion of the former Houghton Fire Station; and

Whereas, through Resolution 3721 the Council affirmed the City's intent to make land available for the development of a residence by Habitat for Humanity; and

Whereas, were this site not to be utilized by Habitat for Humanity, the City would seek to sell this lot; and

Whereas, Habitat for Humanity of East King County proposes to construct a three bedroom house on this site that will be affordable for a family earning less than 50% of median income.

Now, therefore, be it resolved by the City Council of the City of Kirkland as follows:

Section 1. The Kirkland City Manager is hereby authorized and directed to enter into an agreement with Habitat for Humanity of East King County which is substantially similar to that attached hereto as Exhibit A. The parcel of land described therein which is a portion of the property on Northeast 60th Street in Kirkland, Washington, commonly known as the former Houghton Fire Station, is surplus to the needs of the City of Kirkland. The Kirkland City Manager is authorized and directed to execute a deed conveying said parcel of land under the terms and conditions of the aforementioned Agreement.

Section 2. The Kirkland City Manager is hereby authorized and directed to grant to Habitat for Humanity of East King County a right of entry upon the subject property so long as such entry would be consistent with the aforementioned Agreement.

Passed by majority vote of the Kirkland
City Council in regular, open meeting this 17th
day of August, 1993.

Signed in authentication thereof this 17th
day of August, 1993.



MAYOR

Attest:


Deputy City Clerk

8city93\habitat\gg nmw

'OLD FIRE STATION' PROPERTY
AGREEMENT

This Agreement is entered into this _____ day of _____, 1993 by and between Habitat for Humanity of East King County ("Habitat") and the City of Kirkland ("City")

WHEREAS, the City owns a parcel of land described as in Attachment 1 to this Agreement in King County, Washington ("Parcel"), and

WHEREAS, the City Council passed Resolution 3721 on January 21, 1992 which states that it is the City's intent to make land available for the development of at least one residence by Habitat for Humanity in 1993, and

WHEREAS, Habitat is a non-profit housing development corporation whose purpose is to provide affordable housing, and is experienced in the development of single family affordable housing,

WHEREAS, Habitat proposes to construct a 3-bedroom house on the Parcel that will be affordable for a family earning less than 50% of median income,

NOW, THEREFORE, in consideration of the faithful performance of the terms and conditions set forth in the Agreement, the parties mutually agree as follows

- 1 In consideration of Habitat's effort to provide low income housing, title to the Parcel shall be conveyed to Habitat by Deed free of all other encumbrances or defects except those items noted in the preliminary title report dated _____, and which are acceptable to the City and Habitat
- 2 After execution of this agreement, the City and Habitat shall enter into an escrow to be held at State Mortgage and Escrow, Inc, 12832 NE 85th Avenue, Kirkland, Washington Habitat shall pay for all closing costs including escrow fees, title insurance fees, recording fees and any applicable real estate excise taxes Real estate taxes and utilities owing on the property shall be prorated as of the close of escrow
- 3 Habitat, at Habitat's expense, shall cause to have a title company of Habitat's choice deliver to Habitat a standard form Buyer's policy of title insurance
- 4 The close of the proposed escrow is contingent upon the following
 - a) Evidence from Habitat that it has a minimum of \$25,000 of cash available for the purchase of materials, permit fees, and other development costs of the Parcel,
 - b) Evidence from Habitat that it has insurance for development of the Parcel,
 - c) Evidence that Habitat has submitted plans substantially the same as Exhibit A

EXHIBIT A (Resolution)
FILE NO CC-93-76

to Kirkland for building permit approval,

- 5 Construction work on the home, which has been permitted by the City, has commenced by July 1, 1994. If this condition is not met, Habitat shall return ownership of the parcel back to the City.
- 6 If construction is abandoned for a period in excess of 6 months, or construction is not completed by July 1, 1995, the City retains the right to require Habitat to return ownership of the Parcel and any improvements on the Parcel to the City. In this event, the City retains the right to complete construction of the house, or otherwise utilize the site as the City sees fit.
- 7 Habitat hereby agrees to require the signing and recording of a Resale Restriction Agreement and Option to Purchase by the buyer of the affordable unit as part of the purchase process. The Resale Restriction Agreement and Option to Purchase shall be substantially in the form as Exhibit B.
- 8 Habitat will use a screening process to ensure that the buyer meets the qualifications as described in the Resale Restriction Agreement and Option to Purchase. In addition, Habitat through its Family Nurture Committee and its Individual Family Nurture Partners will maintain an ongoing relationship with Habitat homeowners.
- 9 Habitat agrees that it has made a visual inspection of the Parcel and accepts it in its present condition.
- 10 Nothing in this Agreement is intended to or does establish the parties as partners, co-venturers, or principal and agent with one another.
- 11 This Agreement contains the entire Agreement between the parties hereto. No promise, representation, warranty, or covenant that is not in writing and signed by all parties to this Agreement shall be binding. Any amendments to this Agreement shall be in writing and signed by all parties hereto.
- 12 The City shall permit Habitat and its agents to enter on the Parcel for purposes of conducting all studies and tests which may be necessary for planning the development of the Parcel. Habitat shall indemnify and hold the City harmless from any and all costs, liabilities and expenses which Habitat may incur as a result of such entry by Habitat or its agents.
- 13 All notices required by this Agreement shall be sufficiently given if sent by certified mail (postage prepaid) or hand delivered, to the following addresses:

City City of Kirkland
 Office of the City Manager
 123 Fifth Avenue
 Kirkland, WA 98033
 Attn: Assistant City Manager

With copies to City Attorney
 Department of Planning and Community Development

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Habitat Habitat for Humanity
16315 NE 87th, Suite B-1
Redmond, WA 98052
Attn Bob Patterson, Chairman

- 14 The City and Habitat acknowledge that there are no brokerage commissions required for this transaction

The foregoing terms and conditions are approved and accepted the _____ day of _____, 1993

BY _____
City Manager
City of Kirkland

BY _____
Bob Patterson, Chairman
Habitat for Humanity of East King County

R-3830

LEGAL DESCRIPTION

PARCEL A

All of Lot 9,
The Westerly 33 feet of Lot 10,
The Southerly 32 06 feet of the Westerly 33 feet of Lot 5,
All in Block 40 of Cormode and Adsit's First Addition to Kirkland as recorded in
Volume 6 of Plats, page 44, records of King County, Wash , Together with an
easement for ingress, egress and utilities over the Southerly 70 feet of Lot 10, except
the Westerly 33 feet, and the Southerly 70 feet of the Westerly 14 feet of Lot 11, all
in Block 40, Cormode & Adsit's First Addition to Kirkland, as recorded in Volume 6
of Plats, page 44, records of King County, Washington

Containing 8,502 square feet

ATTACHMENT	<u>1 (to agreement)</u>
FILE NO	<u>11-93-76</u>

EXHIBIT A

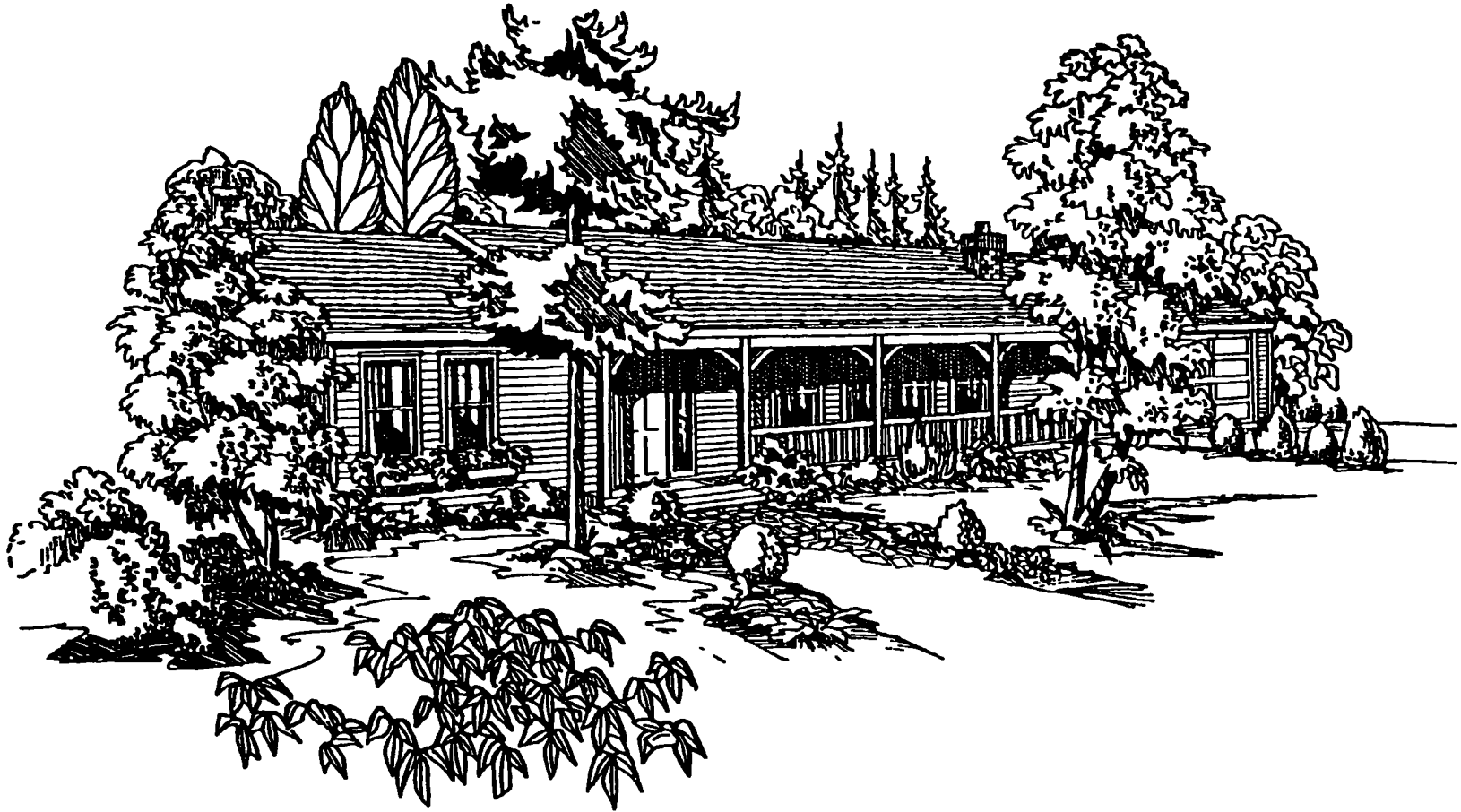
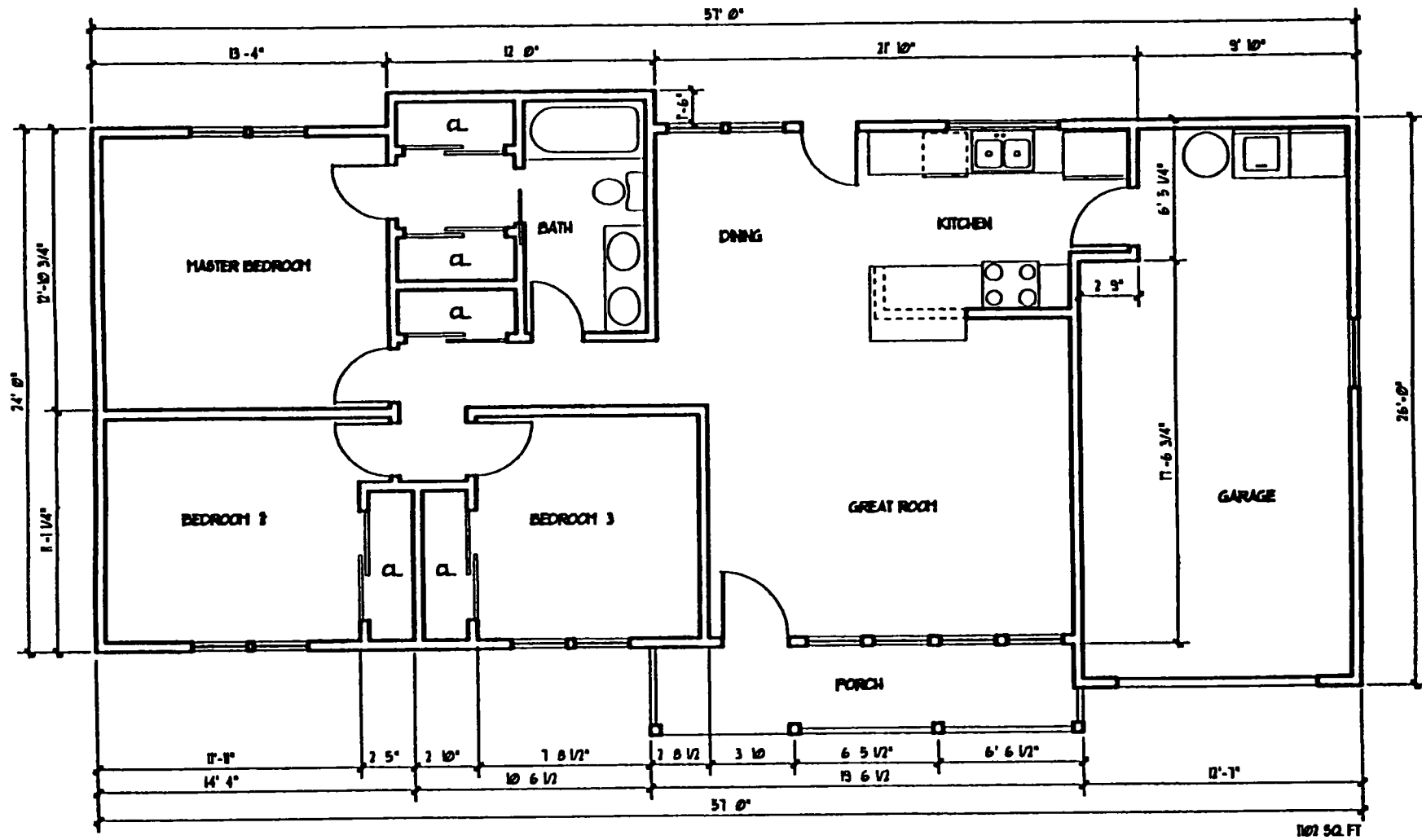


EXHIBIT _____
FILE NO. 01-93-72
A. (signature)

Enrico Giacobazzi, Inc., P.S.
4 Edgar Street, Seattle, WA 98102
100 323-4585 Fax (206) 329-6547
Civil Engineering • Urban Design

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KPG Kerr Pensiero Giacobazzi, Inc. PS
 124 East Edgewood Street Seattle WA 98102
 Phone (206) 523-4505 Fax (206) 320-5547
 Architecture • Landscape Architecture • Civil Engineering • Urban Design

R-3830

EXHIBIT	B (Agreement)
FILE NO	CC-93-76

EXHIBIT B

WHEN RECORDED, MAIL TO

Habitat for Humanity of East King County
 16225 NE 87th Street, Bldg B1
 Redmond, WA 98052

**RESALE RESTRICTION AGREEMENT AND
 OPTION TO PURCHASE**

This RESALE RESTRICTION AGREEMENT AND OPTION TO PURCHASE (the "Agreement") is entered into and made effective as of this ____ day of _____, 199_, by _____ and _____ and his/her/their successors and assigns in interest (hereinafter referred to collectively as "Owners") and Habitat for Humanity of East King County ("Habitat") for the purpose of implementing the City of Kirkland's goal of creating, preserving, maintaining and protecting housing in the City of Kirkland ("City") for households of low and moderate incomes

The Owner's execution of this Agreement is a condition of the Owner's purchase of the real property described in Exhibit "A", attached hereto and incorporated herein by this reference (the "Property"), and this Agreement shall govern and affect the Owners' right to sell, convey, encumber, transfer or dispose of in any way the Owners' interest in said Property and any improvements located thereon (the "Premises")

A. ELIGIBILITY REQUIREMENTS.

An Owner must meet the following requirements and by acceptance of a deed or otherwise acquiring an interest in the Property hereby warrants as follows

1 Owner shall be a first-time homebuyer A first-time homebuyer is defined as a homebuyer who has not had an ownership interest in residential real estate at any time during the previous three years

2 Owner shall warrant that he or she will occupy the Premises as his or her principal residence

3 The Owner shall not lease the Premises for more than two (2) months during any twelve (12) month period and shall not lease the Premises without providing Habitat with a copy of the lease Any lease in violation of this Agreement is void ab initio

4 At the time of purchase, the combined maximum income for all household members of the Owner shall not exceed fifty percent (50%) of the median yearly income adjusted for family size for a family in the Seattle Metropolitan Statistical Area (MSA) as published by HUD from time to time, or such higher income limit as Habitat or the City may determine In the event such income determination is no longer published, or has not been updated for a period of at least eighteen (18) months, Habitat or the City may use or develop such other reasonable method as it may choose in order to determine the income for families in King County at the median yearly income for King county adjusted for family size

B. RIGHT OF FIRST REFUSAL.

Owners hereby grant and give to the "Grantee" a right of first refusal to purchase the Premises under conditions as hereinafter set forth. Grantee is defined as Habitat, its designee or assignee, however if at any time Habitat does not exercise its first right to purchase as described in Section C 1 of this agreement, from that time forward, including subsequent sales, Grantee shall be defined as the City, its designee or assignee. The Grantee may designate a governmental or non-profit organization to exercise its right of first refusal, and the Grantee or its designee may assign this right to an individual private buyer who meets the eligibility qualifications. After the exercise of said right by the Grantee, its designee or assignee, in the manner as hereinafter prescribed, the City, its designee or assignee, may assign said right of first refusal to purchase to any substitute, individual or private buyer who meets the eligibility requirements and is approved by the Grantee, provided, however, that such subsequent assignment shall not extend any time limits contained herein. Any transfer of title to the Property of any interest therein by the Owners, or any attempt thereof, in violation of these covenants shall be void ab initio.

Notwithstanding any provision in this Agreement to the contrary, the option granted by this paragraph shall not be exercised by the Grantee when a deed of trust insured by the Federal Housing Administration, a division of HUD ("HUD/FHA"), is secured by the subject property, and

- 1) The Owners are undergoing consideration by HUD/FHA for assignment forbearance relief, or
- 2) Owners are undergoing consideration for relief under HUD's Temporary Mortgage Assistance Payment (TMAP) program

C. PROCEDURE FOR PURCHASE/RESALE.**1. Notice**

Whenever the Owners no longer desire to own the Premises, the Owners shall notify Habitat and the City in writing to that effect. Such notice (the "Notice of Intent to Sell") shall be personally delivered or deposited in the United States Mail, postage prepaid, or by certified mail and addressed to Habitat and to the City, its designee or assignee.

Habitat, its designee or assignee, shall then have the right to exercise its first right to purchase said Premises by delivery of written notice, by personal delivery or certified mail to the Owners at any time within forty-five (45) days from the receipt by Habitat of such written notice from the Owners of their intent to sell or dispose of the Property.

In the event Habitat does not exercise its right to purchase within forty-five (45) days of receipt of written notice, the City, its designee or assignee, shall then have the right to exercise its first right to purchase the said Premises by delivery of written notice by personal delivery or certified mail to Owners at any time between the forty-fifth (45th) and seventy-fifth (75th) day from the receipt by the City of such written notice from the Owners of their intent to sell or dispose of the Premises.

2. Close of Escrow

If Grantee exercises its right to purchase said Premises, close of escrow on said Premises shall be within one hundred and twenty (120) days of the opening of such escrow by either party. Said escrow shall be opened upon delivery to the Owners of written notice of the exercise of the option or as soon thereafter as possible.

If the sale occurs prior to January 1, 1999, all closing costs, including the costs for a structural report, will be borne by the Buyer. Thereafter, closing costs and title insurance shall be paid pursuant to the custom and practice in King County at the time of the opening of such escrow. The Owners shall bear the expense of providing a current written report of an inspector who is licensed as a "Building Inspection Service". All work recommended in said report to repair damage caused by infestation or infection of wood-destroying pests or organisms found and all work to correct conditions that caused such infestation or infection shall be done at the expense of the Owners. Any work to correct conditions usually deemed likely to lead to infestation or infection of wood-destroying pests or organisms, but where no evidence of infestation or infection is found with respect to such conditions, is not the responsibility of the Owners, and such work shall be done only if requested by the purchaser (the "Buyer") and then at the expense of the Buyer. The Buyer shall be responsible for payment of any assumption or pre-payment fees imposed by any lender by reason of the sale of Premises.

Prior to the close of escrow the following documents shall be completed

a) An executed assumption agreement in a form acceptable to Habitat and the City from the proposed purchaser under which the proposed purchaser shall assume the obligations and duties and agree to be bound by the provisions set forth in this Agreement. The recordation of the assumption agreement shall be a condition of the Grantee's approval of the proposed Transfer. The Owner shall pay a reasonable assumption fee to the Grantee and reimburse it for out of pocket costs to cover the costs of administering its rights and obligations under this Agreement. Notwithstanding the foregoing, even if said assumption agreement is not so executed and recorded, any person acquiring an interest in the Premises from or through the Owners shall acquire such interest subject to and be bound by the provisions of the Agreement.

b) Upon the close of the proposed Transfer, a certified copy of the recorded deed of trust, a copy of the final sales contract, settlement statement, escrow instructions, and any other documents which the Grantee may reasonably request.

3. Establishing the Purchase Price.

The purchase price shall be paid in cash at the close of escrow or as may be otherwise provided by mutual agreement of the Buyer and the Owners. The purchase price of the Premises shall be fixed at the lower of the amounts as established by the following methods:

a) **Formula Value.** The "Formula Value" shall be derived from the "Base Price" of the Premises. The "Base Price" is _____, which is equal to the original purchase

price paid by the Owners, but not including the amount of the promissory note to Habitat and which is secured by a Second Deed of Trust. If the sale occurs prior to January 1, 1999, the Formula Value of the Premises will equal to the Base Price plus any closing costs incurred by the Owner. After January 1, 1999, the Formula Value shall be equal to the Base Price plus an "Appreciation Factor". The Appreciation Factor shall be based on the increase in median income of the Seattle MSA as published by the United States Department of Housing and Urban Development (HUD). For this purpose, the median income prevailing on January 1, 1999 shall be compared with the latest median income available on the date of receipt by Habitat and the City of the Notice of Intent to Sell. The percentage increase/decrease in the median income, if any, shall be computed and the Base Price shall be increased/decreased by that percentage.

b) **Current Market Value.** The Grantee may have an appraisal of the Property prepared at its own expense by an MAI appraiser. The Owners may also have an appraisal prepared at their own expense by a different MAI appraiser for the same purpose. If the two appraisals show different value, the average of the two values shall be deemed and established as the value.

4. Adjustments for Approved Improvement.

An adjustment to the purchase price as calculated in Section 3 (a) Formula Value, will be made for any substantial structural or permanent, fixed improvements that have been approved by the Grantee prior to their installation. The adjustment to the purchase price for approved improvements will be equal to the documented cost of the improvements plus an inflation factor. The inflation factor will be equal to the original cost of the improvements multiplied by the percentage increase of the Seattle MSA median income from the date of completion of the improvement to the time of sale. In no event shall the adjustment for an improvement be in excess of the reasonable cost to replace the improvement at the time of sale of the Premises.

No price adjustment will be made except upon presentation to Grantee of written documentation of all expenditures made by the Owners for which an adjustment is requested.

The Purchase Price Determination Worksheet, provided as Exhibit B, shall be used to calculate the adjusted purchase price of Premises under method 3 (a) above.

D. ESCROW FOR DEFERRED MAINTENANCE.

Once determined under Paragraph 3 above, the purchase price shall be adjusted by decreasing said price by an amount to compensate for deferred maintenance cost, if any, which amount shall be determined as follows. Upon receipt of the Notice of Intent to Sell, the Grantee shall be entitled to inspect the Premises. The Grantee shall have an opportunity to determine whether all plumbing, electrical, and heating systems are in working order, whether any violations of applicable building, plumbing, electric, fire, or housing codes exists, whether walls, ceilings and floors are clear and free of holes or other defects (except for holes typical for picture hangers), whether doors, windows, screens and similar appurtenances are cracked, broken or torn, and whether carpets, drapes and similar features which were originally furnished to the Owner as part of the Premises, or any replacement

thereof, are clean and free of holes, tears or defects, and when not maintained by the homeowners' association, whether the landscaping has been generally maintained

In the event deficiencies are noted, the Owner shall cure the deficiencies in a reasonable manner acceptable to the Grantee within sixty (60) days of being notified of the results of the inspection, but in no event later than the close of escrow. Should the Owners fail to cure such deficiencies prior to the scheduled date of close of escrow, at the option of the Grantee, escrow may be closed, title passed and monies paid to the Owner subject to the condition that such funds as are necessary to pay for curing such deficiencies (based upon written estimates obtained by the Grantee) shall be separated from the monies due to the Owner and held by an escrow holder acceptable to the Grantee for the purpose of curing such deficiencies. Grantee shall cause such deficiencies to be cured and upon certification of completion of work by the Grantee, escrow holder shall utilize such funds to pay for said work. Any remaining funds shall be paid to the Owners and thereupon, no other payment shall be due to the Owners.

E. LIABILITIES

In no event shall Habitat or the City become in any way liable to the Owners, or become obligated in any manner, by reason of the assignment of its first right of refusal to purchase, or after such an assignment become in any way obligated or liable to the Owners for any failure of Habitat's or the City's designee or assignee to consummate a purchase of the Premises or to comply with the terms of any purchase and sale agreement.

F. RESTRICTION ON DISPOSITION OF PROPERTY

Until such time as Habitat's or the City's right to purchase is exercised, waived, or expired, the Premises and any interest in title thereto shall not be sold, leased, rented, assigned, or otherwise transferred to any person or entity without express written consent of the Grantee, as applicable, which consent shall be consistent with Habitat's and the City's goal of creating, preserving, maintaining, and protecting housing for low and moderate income households. This provision shall not prohibit the Owners' right to encumber their title to the Property for the sole purpose of securing financing, however, in the event of foreclosure or transfer by deed in lieu of foreclosure, the provisions of Section B, Right of First Refusal, and Section C, Procedure for Purchase, of this Agreement shall govern.

The following transfers of title or any interest therein are not subject to the right of first refusal provisions of this Agreement: transfer by gift, devise, or inheritance to grantee's spouse or issue, taking of title by a surviving joint tenant, transfer of title to a spouse as part of a divorce or dissolution proceedings, and acquisition of title or interest therein in conjunction with marriage, provided, however, that the covenants and restrictions created herein shall continue to run with the title to said Premises following any of said transfers.

G. TERMINATION OF RIGHT OF FIRST REFUSAL/TERMINATION OF AGREEMENT.

The provisions set forth in this Agreement relating to Grantee's right to purchase the

Premises shall be in effect for seventy-five (75) years from the date this Agreement was entered into

Notwithstanding any provision in this Agreement to the contrary, all of the provisions of this Agreement shall terminate and have no further force and effect upon the occurrence of one of the following events

1 Title to subject property is acquired by HUD/FHA, Veterans Administration ("VA"), Federal National Mortgage Association ("FNMA"), Federal Home Loan Mortgage Corporation ("FHLMC") or another party upon foreclosure of a deed of trust or mortgage insured, made or held by HUD/FHA, VA, FNMA, FHLMC or an institutional lender or investor

2 Title to the subject property is acquired by HUD/FHA, VA, FNMA, FHLMC or another party by deed of trust in lieu of foreclosure of a deed of trust or mortgage insured, made or held by HUD/FHA, VA, FNMA, FHLMC or an institutional lender or investor

3 A deed of trust insured by HUD/FHA on the subject property is assigned to HUD/FHA

4 In the event that Habitat or the City does not exercise its option to purchase pursuant to this Agreement or assign that right or otherwise complete the purchase within the prescribed time limits, Owner may sell the Premises to a person of his choosing

If Owner transfers the Premises in a transaction that does not meet the requirements of Sections A through D of this Agreement, the Owner shall first pay Habitat all principal and interest on any loan or notes it owes to Habitat. In such case the sale shall be free of restrictions in this Agreement and thereafter this Agreement shall terminate and have no further effect

H. DEFAULTS, REMEDIES, RESALE RESTRICTIONS.

Upon violation of any of the provisions of this Agreement by Owner or Owner's proposed purchaser, Grantee may give written notice to Owner specifying the nature of the violation. If the violation is not corrected to the satisfaction of the Grantee within a reasonable period of time, not longer than (30) days after the date the notice is mailed, or within such further time as the Grantee determines is necessary to correct the violation, the Grantee may declare a default under this Agreement. Upon the declaration of a default or if the Owner or Owner's proposed purchaser makes any misrepresentation in connection with receiving any benefits under this Agreement, the Grantee may apply to a court of competent jurisdiction for specific performance of this Agreement, for an injunction prohibiting a proposed sale or transfer in violation of this Agreement, for a declaration that a transfer in violation of this Agreement is void, or for any such other relief at law or in equity as may be appropriate

Notwithstanding, and in addition to, the remedies provided the Grantee in this Section, Owner hereby grants to the Grantee, the option to purchase the Premises effective upon the declaration of a default. Said option to purchase is given in consideration of the

economic benefits received by Owner resulting from ownership of the Premises made possible by the assistance of Habitat and the City in developing the residence

I. DEFAULT, MORTGAGES

The Owners covenant to cause to be filed for record in the Office of the Recorder of the King County a request for a copy of any notice of default and of any notice of sale under any deed of trust or mortgage with power of sale encumbering said Premises pursuant to RCW 61 24 045 Such request shall specify that any such notice shall be mailed to Habitat and the City

Any notice of default and sale given to and received by Habitat and the City shall constitute a Notice of Intent to Sell hereunder and the Grantee, may exercise its right of first refusal prior to any trustee's sale, judicial foreclosure sale, or transfer by deed in lieu of foreclosure, provided, however, that time by which the Grantee may complete the purchase of the Premises, shall be limited by the period of foreclosure prescribed in the RCW 61 12 or 61 24 and not the period allowed under Section C of this Agreement In the event the Owners fail to file such request for notice, the Grantee's right to purchase shall run from the date the Grantee has actual knowledge of a sale or proposed sale, but the Grantee's right to purchase shall not extend beyond the period of foreclosure prescribed in RCW 61 12 or 61 24 and a mortgagee's or trust deed beneficiary's rights of foreclosure shall not be affected

In the event the Grantee elects not to exercise its right to purchase upon notice of default or sale, any surplus to which the Owners may be entitled shall be paid as follows that portion of surplus (after payment of encumbrances), if any, up to but not exceeding the net amount that the Owners would have received after payment of encumbrances under the formula set forth above had the Grantee exercised its right to purchase the Premises on the date of the foreclosure sale, shall be paid to the Owners on the day of the foreclosure sale, and the balance of surplus, if any, shall be paid to Habitat or its successor or assignee in interest

J. INSURANCE/CONDEMNATION PROCEEDS.

In the event that the residence is destroyed and insurance proceeds are distributed to the Owners instead of being used to rebuild, title to the land will revert back to Habitat In the event ownership reverts back to Habitat, any surplus of proceeds so distributed after payment of encumbrances of said Premises shall be distributed as follows that portion of the surplus up to, but not to exceed, the net amount that the Owners would have received under the formula to purchase the property on the date of liquidation, shall be distributed to the Owners, and the balance of such surplus, if any, shall be distributed to Habitat or its successor or assignee in interest

In the event of condemnation, any surplus of proceeds so distributed remaining after payment of encumbrances of said Premises shall be distributed as follows that portion of the surplus up to, but not to exceed, the net amount that the Owners would have received under the formula to purchase the property on the date of liquidation, shall be distributed to the

Owners, and the balance of such surplus, if any, shall be distributed to Habitat or its successor or assignee in interest

K. PRIORITY OF HUD/FHA MORTGAGE

This Agreement shall be subordinate to any deed of trust or mortgage on the Property made, held or insured by HUD/FHA, VA, FNMA, FHLMC or other institutional lender or investor

L. NOTICE

All notices required herein shall be sent to the following addresses

Habitat Habitat for Humanity of East King County
16315 NE 87th Street, Suite B-1
Redmond, WA 98052
Attn Bob Patterson, Chairman

City City of Kirkland
Office of City Manager
123 Fifth Avenue
Kirkland, WA 98033
Attn Assistant City Manager

With copies to City Attorney
Dept of Planning and Community Development

Owners To the mailing address of the Property

M. NUMBER/GENDER.

The use of the singular or plural and the masculine and feminine or neuter pronouns shall be construed as interchangeable and such correct pronouns when referring to a particular person, person, entity or entities shall be construed to have been used herein appropriately and correctly

N. APPLICABLE LAW.

This Agreement and the covenants, conditions and restrictions contained herein shall be construed under the laws of the State of Washington. References to statutes are construed to apply to later enactments on the same subject

O. OWNER'S ACCEPTANCE.

By execution of this Agreement and the acceptance of any interest in the Premises,

the Owner accepts and agrees to be bound by the covenants contained herein

P. SUPERIORITY OF AGREEMENT.

The Owner covenants that he or she has not, and will not, execute any other agreement with provisions contradictory to or in opposition to the provisions hereof except for documents executed pursuant to the requirements of the lenders with a security of interest in the Premises superior to the position of Habitat and the City and that, with the exception of the aforementioned lender documents, this Agreement is controlling as to the rights and obligations between and among Owner, Habitat, the City and their respective successors

R. INVALID PROVISIONS.

If any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Agreement, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein

S. SUCCESSORS AND ASSIGNS.

This Agreement shall inure to the successors and assigns of the respective parties hereto unless otherwise limited and/or indicated herein

IN WITNESS WHEREOF the Owners and Habitat have each executed this Agreement on the date first above written

OWNERS

HABITAT FOR HUMANITY OF
EAST KING COUNTY

LEGAL DESCRIPTION

PARCEL A

All of Lot 9,
The Westerly 33 feet of Lot 10,
The Southerly 32 06 feet of the Westerly 33 feet of Lot 5,
All in Block 40 of Cormode and Adsit's First Addition to Kirkland as recorded in
Volume 6 of Plats, page 44, records of King County, Wash , Together with an
easement for ingress, egress and utilities over the Southerly 70 feet of Lot 10, except
the Westerly 33 feet, and the Southerly 70 feet of the Westerly 14 feet of Lot 11, all
in Block 40, Cormode & Adsit's First Addition to Kirkland, as recorded in Volume 6
of Plats, page 44, records of King County, Washington

Containing 8,502 square feet

EXHIBIT A (EASEMENT RESTRICTION)
FILE NO CC-93-76

**EXHIBIT B
TO
AGREEMENT RESTRICTING RESALE AND OPTION TO PURCHASE**

Purchase Price Determination Worksheet

A. Original Purchase Price = \$ _____

Date of Purchase _____

Date of Notice of Intent to Sell _____

B. Percentage Increase

1) Seattle MSA Median Income on January 1, 1999 \$ _____

2) Latest Seattle MSA Median Income available on date of receipt by Grantee of Notice of Intent to Sell = \$ _____

3) Percentage increase/decrease = $(B2 - B1) / B1 =$ _____ %
(0% if sale is prior to January 1, 1999)

4) Increase in Value = $A \times B3 =$ \$ _____

C. Formula Value = $A + B4 =$ \$ _____

STOP HERE UNLESS YOU HAVE ADJUSTMENTS FOR IMPROVEMENTS OR REPLACED FIXTURES.

D. Structural or Permanent Fixed Improvements.

List all structural or permanent fixed improvements

- 1
- 2
- 3

For each item, complete the following Use additional sheets of paper for more than one improvement

E. Type of Improvement

1 Cost of approved structural or permanent fixed improvements = \$ _____

F. For Each approved improvement complete the following.

1 Seattle MSA median income on the date of completion of the approved improvement
\$ _____

2 Seattle MSA median income on date of receipt of notice by Grantee of Notice of Intent to Sell \$ _____

EXHIBIT	<u>B (Resale Restrict)</u>
FILE NO.	<u>CC-93-76</u>

3 Percentage increase $(F 2 - F 1) / F 1$ _____ %

4 Improvement Value Increase $E 1 * F 3$ \$ _____

G. Adjusted Formula Value

Formula Value [C] \$ _____

+ Cost of approved improvements [E 1] \$ _____

+ Improvement Value Increase [F 4] \$ _____

ADJUSTED FORMULA VALUE \$ _____