



200507110163
Skagit County Auditor

7/11/2005 Page 1 of 4 3:15PM

When Recorded Return To:

Washington State Department of Community,
Trade and Economic Development
Housing Trust Fund – **HOME Program**
906 Columbia Street Southwest
Post Office Box 42525
Olympia, Washington 98504-2525

Attention: Lori Wada, (360) 725-2998

LAND TITLE OF SKAGIT COUNTY

117221-P

LOW INCOME HOUSING COVENANT AGREEMENT

Grantor (Borrower): Ridgeview Mount Vernon Limited Partnership

Grantee (Lender): Department of Community, Trade and Economic Development

Assessor's Tax Parcel ID#: 4367-000-097-0003; 4367-000-098-0002; 4367-000-099-0001; 4367-000-100-0008;
4367-000-101-0007; 4367-000-102-0006; 4367-000-103-0005; 4367-000-104-0004;
4367-000-117-0801

Legal Description (abbreviated): Lots 97-104, Parker Business Center

Contract Number: 05-40404-118

This Low Income Housing Covenant Agreement (the "Covenant") is made by Ridgeview Mount Vernon Limited Partnership, a Washington limited partnership, ("Grantor") and is part of the consideration for the financial assistance provided by the Department of Community, Trade and Economic Development, a department of the State of Washington ("Department"), to Shelter America Group pursuant to a Housing Trust Fund **HOME Program** Contract Number 05-40404-118 (the "Contract"), for the acquisition and rehabilitation of real property (the "Property") legally described as follows:

Lots 97 through 104, inclusive, "PARKER BUSINESS CENTER," as per plat recorded in Volume 11 of Plats, pages 91 through 96, inclusive, records of Skagit County, Washington.

TOGETHER WITH those portions of the private roads in said Plat (up to the centerline thereof) abutting upon said tracts.

Situate in the City of Mount Vernon, County of Skagit, State of Washington.
Complete legal attached

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 September 1, 2005 and ending August 31, 2045.

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 September 1, 2005 and ending August 31, 2045. 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 forty (40) years commencing September 1, 2005 and terminating August 31, 2045, as follows:

1. The residential units in the Property shall provide seventy-nine (79) units of low-income housing for seniors ages 62 years or older and the disabled. There will be fourteen (14) units targeted to seniors or the disabled who at the time of initial occupancy have gross annual household incomes at or below thirty percent (30%) of the median income; fifty-five (55) units targeted to seniors or disabled who at the time of initial occupancy have gross annual household incomes at or below fifty percent (50%) of the median income and ten (10) units targeted to seniors or the disabled who at the time of initial occupancy have gross annual household incomes at or below sixty percent (60%) of the median income for Skagit, County Washington as estimated from time to time by the United States Department of Housing and Urban Development ("HUD") Attachment 1. 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, which shall be consistent with any selection made by the Washington agency allocating low income housing tax credits under Section 42 of the Federal Internal Revenue Code. Sixteen (16) of the units shall be set-aside for those with disabilities. There shall be one (1) additional 2-bedroom unit reserved for an on-site manager that will not be rent or income restricted. Eight (8) of the 1-bedroom units and one (1) of the 2-bedroom units shall be considered HOME Program-assisted units.

The Eight (8) 1-bedroom units and one (1) 2-bedroom unit shall be considered "floating" HOME Program-assisted units; meaning that units originally designated as HOME Program-assisted may change over time. The number of HOME assisted units may never be less than nine (9) and substituted units must be comparable in size, features and number of bedrooms to those units originally identified as HOME Program-assisted units.

Rents charged to tenants of the HOME Program-assisted units may not exceed the lesser of the Fair Market Rents, established by HUD, for comparable units in the area or the applicable high or low HOME rent. The low HOME rents may not exceed thirty percent of the adjusted income of a family whose income equals fifty percent of the area median family income, less the monthly allowance for the utilities and services (excluding telephone) to be paid the tenant.

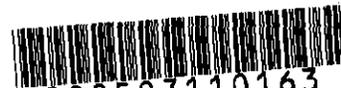
Rents for tenants of the non-HOME Program assisted units shall not exceed thirty percent of the income of the target population, adjusted for household size and less the monthly allowance for the customary utilities and services (excluding telephone, cable television and other telecommunications), to be paid by the tenant.

Tenant/family income calculations must be based upon procedures noted in Part 813 of 24 CFR and must be re-verified annually.

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 WHEREOF, Ridgeview Mount Vernon Limited Partnership has executed this Covenant on the 18 day of June, 2005.

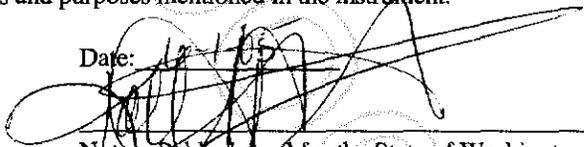
WITNESS:

Ridgeview Mount Vernon Limited Partnership, a Washington Limited Partnership, by Shelter America Group, a Washington non-profit corporation, general partner

By: Patricia L. Hanly
Print Name: Patricia L. Hanly
Title: Secretary

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that Patricia L. Hanly is 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 Secretary of Shelter America Group, a Washington non-profit corporation, to me known to be the general partner of Ridgeview Mount Vernon Limited Partnership, a Washington limited partnership, to be the free and voluntary act and deed of such non-profit corporation on behalf of such limited partnership for the uses and purposes mentioned in the instrument.

Date: 12-1-05

Notary Public for the State of Washington,
residing at King, WA
My commission expires 12/9/05

(seal or stamp)
KATHLEEN C. McCUSKER
STATE OF WASHINGTON
NOTARY --- PUBLIC
MY COMMISSION EXPIRES 12-09-05



DESCRIPTION:

Lots 97 through 104, inclusive, "PARKER BUSINESS CENTER," as per plat recorded in Volume 11 of Plats, pages 91 through 96, inclusive, records of Skagit County, Washington.

TOGETHER WITH those portions of the private roads in said Plat (up to the centerline thereof) abutting upon said tracts.

ALSO TOGETHER WITH an easement for ingress and egress over and across the private roads as shown on said plat as conveyed by instrument under Auditor's File No. 8009170066.

Situate in the City of Mount Vernon, County of Skagit, State of Washington.



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Skagit County Auditor