

Please return to:
K&L Gates LLP
925 Fourth Avenue, Suite 2900
Seattle, WA 98104
Attn: Denise L. Stiffarm



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Name of Document: RESTRICTIVE COVENANT

Grantor: THOMPSON PLACE HOMEOWNERS ASSOCIATION,
INC., a Washington corporation
PIAZZA, JOHN J.

Grantee: SEDRO-WOOLLEY SCHOOL DISTRICT NO. 101

Legal Description:

Abbreviated form: Sedro-Woolley Short Plat No. SW2532-03

Situate in the City of Sedro-Woolley, County of Skagit, State
of Washington.

Additional legal description on Exhibit A of Restrictive Covenant.

Assessor's Property Tax Parcel Account Number(s):

P77322, P77325, P125988, P125989

Reference number(s) of related/assigned/released/document(s):

Reference(s) to document(s) appears on page(s) A-1 & A-2 of document

RESTRICTIVE COVENANT

This Declaration of Restrictive Covenant ("Covenant") is dated as of May 14, 2007, by THOMPSON PLACE HOMEOWNERS ASSOCIATION (the "Owner").

1. Definitions

1.1 Adult. The term "Adult" shall mean a person who is 55 years of age or older, residing in a Unit.

1.2 Owners. The term "Owner" shall mean the Thompson Place Homeowners' Association, or its legal representatives, successors and permitted assigns.

1.3 Project. The term "Project" shall mean the residential development consisting of twelve (12) units commonly know as THOMPSON PLACE located on the Property and within the City of Sedro-Woolley.

1.4 Property. The term "Property" shall mean the real property legally described on Exhibit A.

1.5 Dwelling Unit. The term "Dwelling Unit" shall mean any dwelling unit to be located in the Project or on the Property to be occupied by an Adult.

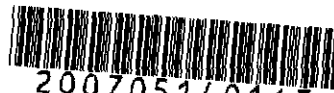
2. Restrictive Covenants

2.1 Use of Project. The Project is intended to be and shall be operated as an adult community.

2.2 Residents of Dwelling Units. No person may be a resident of any Dwelling Unit or the Property, except as expressly authorized by this Article 2.

2.2.1 Residents. Except as expressly authorized in Section 2.2.2 below, the residents of any Dwelling Unit of the Project will be restricted solely to Adults. Except for temporary guests as defined in Section 2.2.2. below, a person is deemed to be a resident of the Project if that person remains overnight or sleeps in a Dwelling Unit or on the Property.

2.2.2 Temporary Guests. Visits by nonresidents shall not exceed fourteen (14) nights in any eight (8) week period.



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2.3 Conveyances of a Possessory Interest. Unless a school impact fee has been paid in accordance with Article 3 hereof, notwithstanding any sale of, lease of, grant of a life estate in, other conveyance of any possessory interest in, or offer to make such conveyance of, an interest in any Dwelling Unit or in all or part of the Project or Property, the Project shall continue to comply with the restrictions set forth in this Article 2.

2.4 Occupancy Agreements. Any occupancy agreement for a Unit will only be entered into with a person or persons who meet the criteria set forth in this Article 2.

3. **School Impact Fee**

3.1 School Impact Fee. A school impact fee shall be paid in the manner and the amount specified by the City of Sedro-Woolley school impact fee ordinance in effect at the time the interest in any Dwelling Unit or in all or part of the Property is conveyed to any person not complying with the restrictions set forth in Article 2 above or any Dwelling Unit or the Property is occupied by any person not meeting the criteria set forth in Article 2 above.

3.2 Timing of Payment of Impact Fee. Such school impact fee shall be paid to the Sedro-Woolley School District within thirty (30) days of receipt of the evidence described in Article 4 below. In the event that such school impact fee is not paid within the time specified in this Section 3.2, interest shall accrue on the amount of such school impact fee at a rate of nine percent (9%) per annum.

4. **Reporting Requirements**

Whenever there is any sale of, lease of, grant of a life estate in, or other conveyance of a possessory interest in, or offer to make such conveyance of, an interest in any Dwelling Unit or in all or part of the Project or Property, the Owners of any Dwelling Unit or all or part of the Project or Property shall furnish to the City of Sedro-Woolley and the Sedro-Woolley School District No. 101 a copy of the new resident's birth certificate, marriage certificate, or other reliable documentary evidence demonstrating that the new resident meets the criteria set forth in Section 2.

5. **Miscellaneous.**

5.1 Covenant Running With the Land. This Covenant shall be deemed to be a covenant running with the land.

5.2 Binding Effect. This Covenant shall apply to, inure to the benefit of, and be binding upon, the Owners and its legal representatives, successors and permitted assigns.



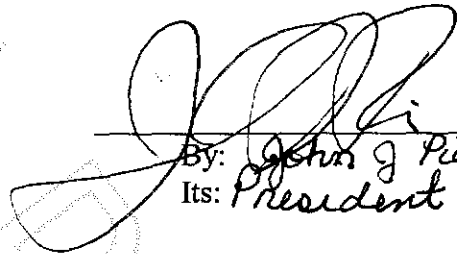
5.3 Captions. The captions inserted in this Covenant are for convenience only, they in no way define, limit or otherwise describe the scope or intent of this Covenant, and shall not be used to interpret or construe this Covenant.

5.4 Governing Law. This Covenant shall be governed by the laws of the State of Washington.

5.5 Venue. If an action must be brought to enforce the terms of this Covenant, such action shall be brought in Superior Court in Skagit County, Washington.

IN WITNESS WHEREOF, the Owner has caused this Restrictive Covenant to be signed by its duly authorized representative, as of the day and year first written above.

THOMPSON PLACE HOMEOWNERS ASSOCIATION
PIAZZA, JOHN J.

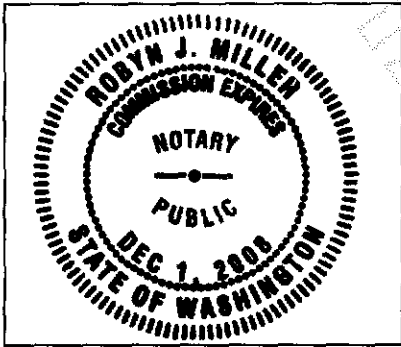

By: *John J. Piazza*
Its: *President*



STATE OF WASHINGTON)
) ss.
COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that John J. Piazza 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 President of Thompson Place Homeowners to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: May 14, 2007.



(Use this space for notarial stamp/seal)

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Robyn J Miller
Notary Public
Print Name Robyn J Miller
My commission expires December 1, 2008

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EXHIBIT A

LEGAL DESCRIPTION

LOTS 2 AND 3, "TROWBRIDGE ADDITION TO THE TOWN OF SEDRO-WOOLLEY," AS PER PLAT RECORDED IN VOLUME 3 OF PLATS, PAGE 33, RECORDS OF SKAGIT COUNTY, WASHINGTON, EXCEPT THE NORTH 70 FEET OF SAID LOTS 2 AND 3, AND EXCEPT THAT PORTION OF THE EAST 85 FEET OF SAID LOT 2 LYING SOUTH OF A LINE THAT IS 120 FEET SOUTH OF AND PARALLEL TO THE NORTH LINE OF SAID LOT 2.

SITUATE IN THE CITY OF SEDRO-WOOLLEY, COUNTY OF SKAGIT, STATE OF WASHINGTON, EXCEPT THE FOLLOWING DESCRIBED PARCELS "A" AND "B":

PARCEL "A":

COMMENCING AT THE NORTHEAST CORNER OF LOT 2 OF THE TROWBRIDGE ADDITION TO THE TOWN OF SEDRO-WOOLLEY AS RECORDED IN VOLUME 3 OF PLATS, PAGE 33, RECORDS OF SKAGIT COUNTY, WASHINGTON;
THENCE SOUTH ALONG THE EAST LINE OF SAID LOT 2 A DISTANCE OF 120.00 FEET TO THE POINT OF BEGINNING;
THENCE NORTH ALONG SAID EAST LINE A DISTANCE OF 20.00 FEET;
THENCE SOUTH 89 DEGREES 23'28" WEST A DISTANCE OF 25.85 FEET TO THE BEGINNING OF A TANGENT CURVE TO THE LEFT;
THENCE ALONG SAID CURVE AN ARC DISTANCE OF 34.24 FEET THROUGH A CENTRAL ANGLE OF 78 DEGREES 27'47";
THENCE NORTH 89 DEGREES 23'28" EAST A DISTANCE OF 50.13 FEET TO THE POINT OF BEGINNING.

SITUATE IN SKAGIT COUNTY, WASHINGTON.

PARCEL "B":

COMMENCING AT THE NORTHEAST CORNER OF LOT 2 OF THE TROWBRIDGE ADDITION TO THE TOWN OF SEDRO-WOOLLEY AS RECORDED IN VOLUME 3 OF PLATS, PAGE 33, RECORDS OF SKAGIT COUNTY, WASHINGTON;
THENCE SOUTH ALONG THE EAST LINE OF SAID LOT 2 A DISTANCE OF 120.00 FEET;
THENCE SOUTH 89 DEGREES 23'28" WEST PARALLEL TO AND 120.00 FEET DISTANT SOUTHERLY FROM THE NORTH LINE OF SAID TROWBRIDGE ADDITION, A DISTANCE OF 76.14 FEET TO THE TRUE POINT OF BEGINNING;
THENCE CONTINUING SOUTH 89 DEGREES 23'28" WEST A DISTANCE OF 8.86 FEET TO THE WEST LINE OF THE EAST 85.00 FEET OF SAID LOT 2 OF SAID TROWBRIDGE ADDITION;
THENCE NORTH 0 DEGREES 00' EAST ALONG SAID WEST LINE OF EAST 85.00 FEET OF LOT 2 OF TROWBRIDGE ADDITION, A DISTANCE OF 14.39 FEET TO A POINT ON NON-TANGENT CURVE HAVING A RADIUS POINT BEARING SOUTH 38 DEGREES 32'38" WEST AT A DISTANCE OF 25.00 FEET;

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THENCE SOUTHEASTERLY ALONG SAID CURVE AN ARC DISTANCE OF 17.15 FEET THROUGH A CENTRAL ANGLE OF 39 DEGREES 18'37" TO THE TRUE POINT OF BEGINNING.

AND TOGETHER WITH THE FOLLOWING DESCRIBED PARCEL C:

COMMENCING AT THE NORTHEAST CORNER OF LOT 2 OF THE TROWBRIDGE ADDITION TO THE TOWN OF SEDRO-WOOLLEY AS RECORDED IN VOLUME 3 OF PLATS, PAGE 33, RECORDS OF SKAGIT COUNTY, WASHINGTON;

THENCE SOUTH ALONG THE EAST LINE OF SAID LOT 2 A DISTANCE OF 120.00 FEET; THENCE SOUTH 89 DEGREES 23'28" WEST PARALLEL TO AND

120.00 FEET DISTANT SOUTHERLY FROM THE NORTH LINE OF SAID TROWBRIDGE ADDITION, A DISTANCE OF 76.14 FEET TO THE TRUE POINT OF BEGINNING.

THENCE NORTH 89 DEGREES 23'28" EAST A DISTANCE OF 26.01 FEET TO A POINT ON NON-TANGENT CURVE HAVING A RADIUS POINT BEARING SOUTH 79 DEGREES 04'19" EAST AT A DISTANCE OF 25.00 FEET;

THENCE SOUTHWESTERLY ALONG SAID CURVE AN ARC DISTANCE OF 5.03 FEET THROUGH A CENTRAL ANGLE OF 11 DEGREES 32'13"; THENCE SOUTH 0 DEGREES 36'32" EAST A DISTANCE OF 5.00 FEET;

THENCE SOUTH 89 DEGREES 23'28" WEST A DISTANCE OF 25.00 FEET;

THENCE NORTH 0 DEGREES 36'32" WEST A DISTANCE OF 5.00 FEET TO A POINT TO THE BEGINNING OF A TANGENT CURVE HAVING A RADIUS POINT BEARING SOUTH 89 DEGREES 23'28" WEST AT A DISTANCE OF 25.00 FEET;

THENCE NORTHWESTERLY ALONG SAID CURVE AN ARC DISTANCE OF 5.03 FEET THROUGH A CENTRAL ANGLE OF 11 DEGREES 32'13" TO THE TRUE POINT OF BEGINNING.



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