



200706260084

Skagit County Auditor

When Recorded Return To:

6/26/2007 Page 1 of 5 2:14PM

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

Attention: Dan Schilling, (360) 725-2902

LOW INCOME HOUSING COVENANT AGREEMENT

Grantor (Borrower): Raspberry Ridge II LLC
Grantee (Lender): Department of Community, Trade and Economic Development
Assessor's Tax Parcel ID#: P126057, P62437, P62504
Legal Description (abbreviated): Ptn. Tracts 25 and 36 Burl. Acreage and Ptn. NW-SE and NE-SW of 33-35-04
Contract Number: 06-94100-053

This Low Income Housing Covenant Agreement (the "Covenant") is made by Raspberry Ridge II, LLC, a Washington limited liability company ("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 Housing Authority of Skagit County pursuant to a Housing Trust Fund Contract Number 06-94100-053 (the "Contract"), for the acquisition and new construction of thirty (30) units of low income housing of real property ("Property") legally described as follows:

See attached full legal description.

(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 August 1, 2008 and ending July 31, 2048.

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 August 1, 2008 and ending July 31, 2048. 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 August 1, 2008 and terminating July 31, 2048, as follows:

1. The residential units in the Property will be rented to households that at the time of initial occupancy have gross annual household incomes at or below fifty percent (50%) of the local area median income for Mount Vernon-Anacortes, WA MSA 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.

The CONTRACTOR shall make best efforts to provide four (4) units to households that at the time of initial occupancy have gross annual household incomes at or below fifty percent (50%), twenty-three (23) units to households that at the time of initial occupancy have gross annual household incomes at or below forty percent (40%), and three (3) units to households that at the time of initial occupancy have gross annual household incomes at or below thirty percent (30%) of the median income for Mount Vernon-Anacortes, WA MSA.

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.

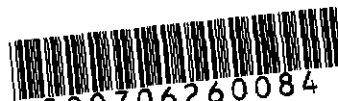
4. **DEFAULT:** If a violation of this Covenant occurs, the Department may, after thirty days notice and opportunity to cure the violation which cure may be affected by the Grantor and/or its Investor Member (as defined in the Contract), institute and prosecute any proceeding at law or equity to abate, 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, Raspberry Ridge II LLC has executed this Covenant on the 26th day of June, 2007.

WITNESS:

Raspberry Ridge II LLC, a Washington limited liability company, by Housing Authority of Skagit County, a public body corporate and politic of the State of Washington, managing member

By: Paul Colbert
Print Name: Paul Colbert
Title: Executive Director

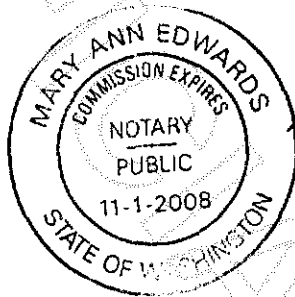


Skagit County Auditor

STATE OF WASHINGTON)
) ss.
COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that Paul Colbert 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 Housing Authority of Skagit County, a public body corporate and politic of the State of Washington, to me known to be managing member of Raspberry Ridge II LLC, a Washington limited liability company, to be the free and voluntary act and deed of such local housing authority corporation on behalf of such limited liability company for the uses and purposes mentioned in the instrument.

(seal or stamp)



Date:

5-26-07

Mary Ann Edwards
Notary Public in and for the State of Washington,
residing at Salmon

My commission expires

11-01-08



200706260084
Skagit County Auditor

Exhibit B

Descriptions After Adjustment

New Parcel 1

That portion of the Northwest Quarter of the Southeast Quarter and the Northeast Quarter of the Southwest Quarter of Section 33, Township 35 North, Range 4, East, W. M. and of Tracts 25 and 36, "PLAT OF THE BURLINGTON ACREAGE PROPERTY," as per plat recorded in Volume 1 of Plats, page 49, records of Skagit County, Washington, being more particularly described as follows:

Beginning on the West line of said Northwest Quarter of the Southeast Quarter at a point South 0 Degrees 01'36" West, a distance of 201.00 feet from the center of said Section 33; thence South 89 Degrees 40'42" East parallel with the North line of said Southeast Quarter a distance of 290.00 feet; thence South 0 Degrees 01'36" West, parallel to the West line of said Southeast Quarter, a distance of 404.00 feet; thence North 89 Degrees 40'42" West, parallel to the North line of said Southeast Quarter, a distance of 257.00 feet; thence South 0 Degrees 01'36" West, parallel to the West line of said Southeast Quarter, a distance of 206.55 feet; thence North 89 Degrees 40'42" West, parallel to the North line of said Southeast Quarter a distance of 33.00 feet to the West line of said Southeast Quarter; thence continuing North 89 Degrees 40'42" West, parallel to the North line of said Southeast Quarter a distance of 247.68 feet; thence North 0 Degrees 01'36" East, parallel to the East line of said Southwest Quarter, a distance of 610.55 feet; thence South 89 Degrees 40'42" East, parallel to the North line of said Southeast Quarter, a distance of 247.68 feet to the **Point of Beginning**.

TOGETHER with a non-exclusive easement for ingress, egress and utilities, over, under and across the West 65.00 feet of the East 247.68 feet of the North 201.00 feet of the Northeast Quarter of the Southwest Quarter of Section 33, Township 35 North, Range 4 East, W.M., also being a portion of said Tract 25 of "PLAT OF BURLINGTON ACREAGE PROPERTY",

EXCEPT that portion within the right-of-way of Lafayette Road.

Situate in the County of Skagit, State of Washington.

New Parcel 2

That portion of the Northwest Quarter of the Southeast Quarter and the Northeast Quarter of the Southwest Quarter of Section 33, Township 35 North, Range 4, East, W. M. and of Tracts 25 and 36, "PLAT OF THE BURLINGTON ACREAGE PROPERTY," as per plat recorded in Volume 1 of Plats, page 49, records of Skagit County, Washington, being more particularly described as follows

Commencing at the center of said Section 33; thence South 0 Degrees 01'36" West along the East line of said Northeast Quarter of the Southwest Quarter a distance of 30.00 feet to the South right of way margin of Lafayette Road being the **TRUE POINT OF BEGINNING**; thence South 0 Degrees 01'36" West along the East line of said Southwest Quarter a distance of 171.00 feet; thence North 89 Degrees 40'42" West parallel to the North line of said Southeast Quarter, a distance of 247.68 feet; thence South 0 Degrees 01'36" West parallel to said East line of the Southwest Quarter, a distance of 610.55 feet; thence South 89 Degrees 40'42" East a distance of 280.68 feet to the East line of that parcel described as Parcel "P" conveyed to The Housing Authority of Skagit County under Auditor's File No. 200207260012, records of Skagit County, Washington; thence South 0 Degrees 01'36" West parallel to the said East line of the Southwest Quarter of said Section 33 a distance of 504.91 feet to the South line of said Northwest Quarter of the Southeast Quarter; thence North 89 Degrees 50'56" West along said South line of the Northwest Quarter of the Southeast Quarter a distance of 33.00 feet to the Southeast corner of said Northeast Quarter of the Southwest Quarter, also being on the South line of said Tract 36 of said Burlington Acreage; thence North 89 Degrees 51'24" West along said South line of Tract 36 a distance of 418.84 feet to a point lying 241.00 feet East of the



200706260084

Skagit County Auditor

6/26/2007 Page

4 of

5 2:14PM

Exhibit B-continued

New Parcel 2-continued

Southwest corner of the East Half of said Tract 36; thence North 0 Degrees 10'27" East along the East line of that parcel conveyed to Housing Authority of Skagit County under Auditor's File No. 200210280188, a distance of 658.88 feet to a point on the North line of said Tract 36 lying 241.00 feet East of the Northwest corner of the East Half of said Tract 36, said point being the Northeast corner of that parcel conveyed to Housing Authority of Skagit County, under Auditor's File No. 200210280188; thence North 89 Degrees 46'29" West along the North line of said Tract 36 a distance of 269.60 feet to the Southwest corner of a tract described as Parcel "S" conveyed to Housing Authority of Skagit County under Auditor's File No. 200207260012, records of Skagit County; thence North 0 Degrees 00'41" East along the West line of said Parcel "S", a distance of 418.27 feet to the Northwest corner of said Parcel "S", being also a point on the South line of the North 211.00 feet of said Tract 25 of said Burlington Acreage; thence South 89 Degrees 41'31" East along the South line of said North 211.00 feet of Tract 25, a distance of 210.79 feet to the Southwest corner of that parcel described as parcel "R" conveyed to Housing Authority of Skagit County under Auditor's File No. 200207260012; thence North 0 Degrees 10'28" East, along the West line of said Parcel "R", a distance of 206.55 feet to the South right of way line of the Lafayette Road; thence North 89 Degrees 46'20" East along the South right of way line of Lafayette Road a distance of 475.53 feet to the **TRUE POINT OF BEGINNING.**

SUBJECT TO a non-exclusive easement for ingress, egress and utilities, over, under and across the West 65.00 feet of the East 247.68 feet of the North 201.00 feet of the Northeast Quarter of the Southwest Quarter of Section 33, Township 35 North, Range 4 East, W.M., EXCEPT that portion within the right-of-way of Lafayette Road.



200706260084
Skagit County Auditor