

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



200801140002

Skagit County Auditor

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**LAND TITLE OF SKAGIT COUNTY**

**Name of Document:** SCHOOL IMPACT FEE COVENANT AND AGREEMENT

**Grantor:** MILWAUKEE PARK APARTMENTS LIMITED  
PARTNERSHIP, a Washington limited partnership

**Grantee:** MOUNT VERNON SCHOOL DISTRICT NO. 320

**Legal Description:**

Abbreviated form: The West 30 feet of Lot 6, and all of Lots 7 and 8, Block 9,  
"RIVERSIDE ADDITION TO THE TOWN OF MOUNT  
VERNON," as per plat recorded in Volume 3 of Plats, page  
24, records of Skagit County, Washington,

EXCEPT the North 19.50 feet thereof.

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

Additional legal description on Exhibit A of Restrictive Covenant.

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

3755-009-006-0204

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

Reference(s) to document(s) appears on page(s) \_\_\_\_\_ of document

## **SCHOOL IMPACT FEE COVENANT AND AGREEMENT**

This School Impact Fee Covenant and Agreement ("Covenant") is dated as of January 11, 2008, by Milwaukee Park Apartments Limited Partnership, a Washington limited partnership (the "Owners") for the benefit of the Mount Vernon School District No. 320, a Washington municipal corporation (the "District").

### **RECITALS**

A. WHEREAS, the Owners are the fee owners of certain real property more particularly described on Exhibit A attached hereto (the "Property") that is the subject of this Covenant; and

B. WHEREAS, the Property is being developed for use as permanent housing for homeless individuals suffering from chronic mental illness. Prior to completion, the development will be subject to a condominium declaration whereby 15 separate dwelling units will comprise one condominium unit (the "Housing Unit") and the remaining portion of the development will constitute a second condominium unit to be used as office space (the "Commercial Unit"), which Commercial Unit shall contain no residential dwellings (for purposes of this Restrictive Covenant, the Housing Unit is hereinafter referred to as the "Project"); and

C. WHEREAS, the District is eligible to receive school impact fees from any new residential development activity pursuant to Chapter 3.36 of the Mount Vernon Municipal Code (the "Code" or the "School Impact Fee Ordinance"); and

D. WHEREAS, residents of the Project are not expected to include school-age children; and

E. WHEREAS, Section 3.36.150(2) of the Code provides authority for the District to recommend that the City of Mount Vernon (the "City") impose an alternative fee on a particular development when the District believes that the development will not have the same impact on school facilities as other residential dwelling units; and

F. WHEREAS, based upon the specific circumstances of the Project, the District's Board of Directors has taken action to recommend that an impact fee of \$0 should be applied to the each unit in the Project; provided that, the City require that a covenant be recorded on the Property stating that, should school age children ever reside in any unit in the Project, school impact fees shall be due and owing; and



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G. WHEREAS, the City's Director of Community and Economic Development has approved the District's request by letter dated January 3, 2008, which is attached hereto as Exhibit B.

NOW, THEREFORE, for good and valuable consideration, Grantor does hereby grant and convey to the District, and does hereby agree to and does hereby impose upon any interest in the Property, the following covenants and restrictions, which shall run with and be a burden upon Grantor's interest in the Property and all portions thereof, and shall be binding upon any purchaser, grantee, owner or lessee of any portion of Grantor's interest in the Property and upon the respective heirs, executors, administrators, devisees, successors and assigns of any purchaser, grantee, owner or lessee of any portion of Grantor's interest in the Property, for so long as this Covenant remains in effect in accordance with its terms.

### **COVENANT**

#### **1. Definitions:**

1.1 Dwelling Unit. The term "Dwelling Unit" shall mean any dwelling unit to be located in the Housing Unit on the Property to be occupied by a Resident.

1.2 Owners. The term "Owners" shall mean the Milwaukee Park Apartments Limited Partnership, a Washington limited partnership, or its heirs, legal representatives, successors and permitted assigns, except as otherwise expressly provided in this Covenant.

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

1.4 Resident. The term "Resident" shall mean any person residing in any Dwelling Unit who has been approved for occupancy by the Owner consistent with the purpose of the Project and who is over the age of eighteen (18). A person is deemed to reside in a Dwelling Unit of the Property if that person remains overnight for more than thirty (30) consecutive nights in any Dwelling Unit on the Property.

#### **2. School Impact Fee:**

2.1 School Impact Fee. A school impact fee shall be paid in the manner and the amount specified by the City of Mount Vernon School Impact Fee Ordinance in effect at the time any Dwelling Unit is occupied by any person not meeting the definition of a Resident set forth in Section 1.4 above.

2.2 Timing of Payment of Impact Fee. Such school impact fee shall be paid to the Mount Vernon School District within thirty (30) days of receipt of the evidence



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described in Article 4 below. In the event that such school impact fee is not paid within the time specified in this Section 2.2, interest shall accrue on the amount of such school impact fee at a rate of nine percent (9%) per annum. Upon the payment of such school impact fee, this Restrictive Covenant shall terminate and be of no further force or effect and the Mount Vernon School District shall execute and deliver such documents as may be reasonably required to evidence such termination.

### **3. 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 Property, the Owners of any Dwelling Unit or all or part of the Property shall furnish to the City of Mount Vernon and the Mount Vernon School District No. 320 a copy of reliable documentary evidence demonstrating that the new resident meets the criteria set forth in Section 1.4.

### **4. Miscellaneous.**

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

4.2 Binding Effect. This Covenant shall apply to, inure to the benefit of, and be binding upon, the Owners and their heirs, legal representatives, successors and permitted assigns, except as otherwise expressly provided in this Covenant.

4.3 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.

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

4.5 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.



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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.

MILWAUKEE PARK APARTMENTS LIMITED  
PARTNERSHIP, a Washington limited partnership

BY: COMPASS HEALTH HOLDINGS, LLC, a  
Washington limited liability company, its General  
Partner

BY: COMPASS HEALTH, a Washington non profit  
corporation, its Managing Member



By: Tom Sebastian  
Title: President and CEO



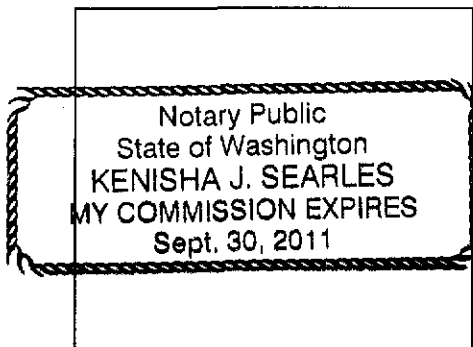
STATE OF WASHINGTON)

) ss.

COUNTY OF Snohomish )

I certify that I know or have satisfactory evidence that Tom Sebastian is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the President and CEO of COMPASS HEALTH, the Managing Member of COMPASS HEALTH HOLDINGS LLC, the General Partner of MILWAUKEE PARK APARTMENTS LIMITED PARTNERSHIP, a Washington limited partnership, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: January 11, 2008.



(Use this space for notarial stamp/seal)

Kenisha Searles

Notary Public

Print Name Kenisha Searles

My commission expires Sept 30, 2011



The West 30 feet of Lot 6, and all of Lots 7 and 8, Block 9, "RIVERSIDE ADDITION TO THE TOWN OF MOUNT VERNON," as per plat recorded in Volume 3 of Plats, page 24, records of Skagit County, Washington,

EXCEPT the North 19.50 feet thereof.

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