

WHEN RECORDED, RETURN TO:

Callister Nebeker & McCullough
10 East South Temple, Suite 900
Salt Lake City, Utah 84133
Attn: John B. Lindsay



201209200079

Skagit County Auditor

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10 2:28PM

CHICAGO TITLE
020012545

DEED RESTRICTION
(Woodgate)

Grantor(s)/Borrower(s): APD Housing Partners 16, LP, a Washington limited partnership

Grantee/Beneficiary: Bonneville Mortgage Company, a Utah corporation, Beneficiary
Chicago Title Company, Trustee

Legal Description: Lot 2, Burlington Short Plat BU-⁷⁸⁻²~~278~~; being a ptn. of Lot 50,
Abbreviated: Burlington Acreage

Additional legal description is on Exhibit A of this document.

Assessor's Tax Parcel ID #: P62662 and 3867-000-050-~~01904~~ 1904

Reference No. of Documents Released or Assigned: N/A

SKAGIT COUNTY WASHINGTON
REAL ESTATE EXCISE TAX

SEP 20 2012

Amount Paid \$
Skagit Co. Treasurer
By *MB* Deputy

THIS DEED RESTRICTION (the "Deed Restriction") is made and agreed to this 20th day of September, 2012 (the "Closing Date"), by APD Housing Partners 16, LP, a Washington limited partnership ("Borrower").

PRELIMINARY STATEMENT

Borrower has requested that Bonneville Mortgage Company, a Utah corporation ("Lender") make a loan to Borrower in the amount of One Million Eight Hundred Ninety Thousand Dollars (\$1,890,000.00) (the "Loan") for a 40-unit low income housing multi-family housing development known as the Woodgate Apartments, located in Skagit County, State of Washington, on a site more particularly described in Exhibit A and by this reference made a part hereof (the "Land"). (The Land and all improvements existing or to be constructed thereon are hereafter referred to as the "Mortgaged Property"). The Loan will be evidenced by a Multifamily Note dated the Closing Date, executed by Borrower and payable to Lender (the "Note") and will be secured by, among other things, a Multifamily Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing dated the Closing Date (the "Security Instrument"), to be recorded in the land records of Skagit County, State of Washington.

Lender is agreeable to making the Loan to Borrower if the Loan is the subject of a ninety percent (90%) guarantee from the United States Secretary of Agriculture, acting through the United States Department of Agriculture, Rural Housing Service ("RHS") under Section 538 of the Housing Act of 1949, 12 U.S.C., Section 1490p-2 (the "RHS Guarantee"). As a condition precedent to providing the RHS Guarantee, RHS requires that Borrower execute this Deed Restriction.

NOW, THEREFORE, in consideration of Lender making the Loan to Borrower, and of the mutual undertakings set forth below, Borrower agrees as follows:

1. **Definitions.** All capitalized terms that are used in this Deed Restriction but not defined in this Deed Restriction shall have the meanings assigned to them by the Security Instrument.

2. **Covenants of Borrower.** Borrower, for itself and its successors in interest, agrees that until September 1, 2052, the Mortgaged Property can only be utilized as rental housing (not home ownership) and can only be leased to low or moderate income families or persons, whose incomes at the time of initial occupancy do not exceed 115 percent of the median income of the area ("Eligible Tenant"), as determined by the United States Department of Agriculture in accordance with 42 U.S.C 1490p-2. No Eligible Tenants occupying the housing will be required to vacate nor any Eligible Tenant denied occupancy in violation of this provision unless such Eligible Tenant does not satisfy more stringent rent and/or income restrictions pertaining to the Mortgaged Property under any other state or federal affordable housing program. This restriction is enforceable by Eligible Tenants or the United States Department of Agriculture. For further questions contact the United States Department of Agriculture, Rural Housing Service at Director of Multi-Family Processing Division, 1400 Independence Avenue, SW, STOP 0781, Washington, DC 20250.



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This Deed Restriction will apply to the Mortgaged Property until September 1, 2052, unless the Mortgaged Property is acquired by foreclosure or an instrument in lieu of foreclosure, or the United States Department of Agriculture waives the applicability of this Deed Restriction after determining that each of the following three circumstances exist.

- (a) There is no longer a need for low-and moderate-income housing in the market area in which the housing is located;
- (b) Housing opportunities for low-income households and minorities will not be reduced as a result of the waiver; and
- (c) Additional federal assistance will not be necessary as a result of the waiver.

3. **Covenants to Run With the Land.** Borrower hereby subjects the Mortgaged Property to this Deed Restriction. Borrower hereby declares its express intent that this Deed Restriction shall be deemed a covenant running with the land and shall pass to and be binding upon Borrower's successors in title to the Mortgaged Property, until the Deed Restriction's termination under Section 2 hereof. Every contract, deed or other instrument hereafter executed covering or conveying the Mortgaged Property or any portion of the Mortgaged Property shall be deemed to have been executed, delivered and accepted subject to such covenants, reservations and restrictions, regardless of whether such covenants, reservations and restrictions are set forth in that contract, deed or other instrument.

4. **Governing Law.** This Deed Restriction shall be governed by and construed in accordance with the laws of the state in which the Mortgaged Property is located and the United States of America, as applicable.

5. **Statutes and Regulations.** Any reference in this Deed Restriction to a statute or regulation shall include all amendments to and successors to such statute or regulation, whether adopted before or after the date of this Deed Restriction.

6. **Counterparts.** This Deed Restriction may be signed in any number of counterparts, each of which shall be an original for all purposes, but all of which taken together shall constitute only one agreement. The production of any executed counterpart of this Deed Restriction shall be sufficient for all purposes without producing or accounting for any other counterpart.

*[SIGNATURE PAGE(S) AND EXHIBIT(S),
IF ANY, FOLLOW THIS PAGE]*



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DATED: September 20, 2012.

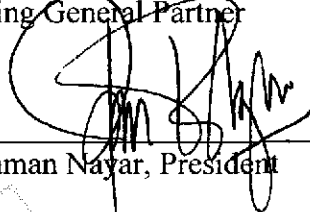
BORROWER

APD HOUSING PARTNERS 16, LP,
a Washington limited partnership

By: APD Housing Management 16, LLC,
a Washington limited liability company,
Its: Administrative General Partner

By: 
David A. Beacham, Authorized Signatory

By: AOF/Pacific Affordable Housing Corp.,
a California nonprofit public benefit corporation
Its: Participating General Partner

By: 
Raman Nayar, President



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DATED: September 20, 2012.

LENDER

BONNEVILLE MORTGAGE COMPANY,
a Utah corporation

By:



Brent H. Peterson
President, Multifamily Division



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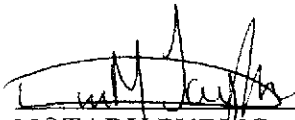
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STATE OF WASHINGTON)
 : ss.
COUNTY OF King)

On this 7th day of September, 2012, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared David A. Beacham, to me known to be the Authorized Signatory, of APD Housing Management 16, LLC, a Washington limited liability company, to me known to be the Administrative General Partner of APD Housing Partners 16, LP, a Washington limited partnership, the limited partnership that executed the foregoing instrument and acknowledged the said instrument to be the free and voluntary act of and deed of said limited partnership, for the uses and purposes therein mentioned, and on oath stated that the limited partnership is authorized to execute the said instrument.

Witness my hand and seal the day and year first above written.

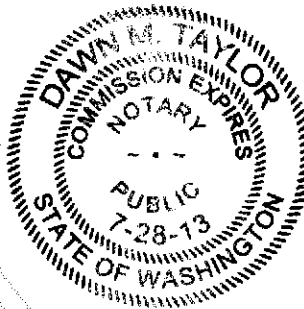


NOTARY PUBLIC

Printed Name: Dawn M. Taylor

Notary Public residing at Starwood

My Commission Expires: 7-28-13



STATE OF WASHINGTON)
: ss.
COUNTY OF King)

On this 7th day of September, 2012, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Raman Nayar, to me known to be the President, of AOF/Pacific Affordable Housing Corp., a California nonprofit public benefit corporation, to me known to be the Participating General Partner of APD Housing Partners 16, LP, a Washington limited partnership, the limited partnership that executed the foregoing instrument and acknowledged the said instrument to be the free and voluntary act of and deed of said limited partnership, for the uses and purposes therein mentioned, and on oath stated that the limited partnership is authorized to execute the said instrument.

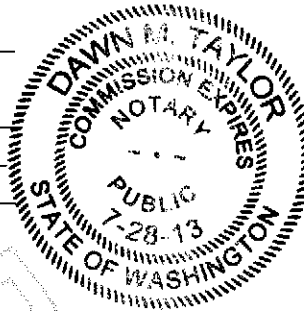
Witness my hand and seal the day and year first above written.

Dawn M. Taylor
NOTARY PUBLIC

Printed Name: Dawn M. Taylor

Notary Public residing at Stanwood

My Commission Expires: 7-28-13

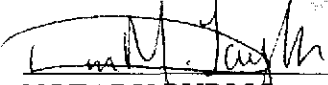


STATE OF WASHINGTON

COUNTY OF King

On this 17th day of September, 2012, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Brent H. Peterson, to me known to be the President, Multifamily Division of Bonneville Mortgage Company, a Utah corporation, the corporation that executed the foregoing instrument and acknowledged the said instrument to be the free and voluntary act of and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that the corporation is authorized to execute the said instrument and that the seal affixed is the corporate seal of said corporation.

Witness my hand and seal the day and year first above written.



NOTARY PUBLIC

Printed Name: Dawn M. Taylor

Notary Public residing at Stanwood

My Commission Expires: 7-28-13

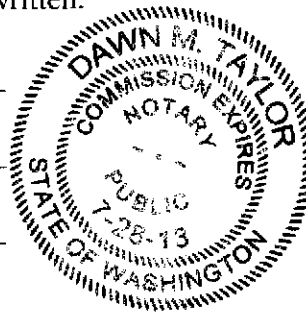


EXHIBIT A

REAL PROPERTY DESCRIPTION

The land referred to herein below is situated in the City of Burlington, County of Skagit, State of Washington, and is described as follows:

(See Attached)



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Exhibit A

Legal Description

The land referred to herein below is situated in Skagit County, State of Washington, and is described as follows:

Tract 2, Burlington Short Plat No. 78-2, recorded in Volume 3 of Short Plats, page 26, under Auditor's File No. 888920, records of Skagit County, Washington; being a portion of Lot 50, Plat of Burlington Acreage property, according to the Plat thereof recorded in Volume 1 of Plats, page 49, records of Skagit County, Washington.

Situated in Skagit County, Washington.



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