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K&L Gates LLP
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Attn: Denise L. Stiffarm



201210310009
Skagit County Auditor

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LAND TITLE OF SKAGIT COUNTY

143624-0

Name of Document: RESTRICTIVE COVENANT

Grantor: SKAGIT COUNCIL HOUSING, A WASHINGTON
NONPROFIT CORPORATION

Grantee: MOUNT VERNON SCHOOL DISTRICT NO. 320

Legal Description:

Abbreviated form: Lot 'C' of BLA PL-12-031, RECORDED UNDER
AF#201204270085

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):

P25019

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

RESTRICTIVE COVENANT

This Declaration of Restrictive Covenant ("Covenant") is dated as of September 5, 2012, by SKAGIT COUNCIL HOUSING, A WASHINGTON NON PROFIT CORPORATION (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 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.

1.3 Owners. The term "Owner" shall mean the record holder of legal title to the fee simple interest in any lot or parcel that is part of the Property, including contract purchasers but excluding others who hold such title merely as security. An Owner shall include any person who holds record title to a lot or parcel or joint ownership with any other person or holds undivided fee interest in any lot or parcel.

1.4 Project. The term "Project" shall mean the residential development consisting of sixteen (16) low-income, HUD subsidized, retirement units commonly know as the addition to the Austin Lane Campus located on the Property and within the City of Mount Vernon. The Project is a component of the larger Austin Lane Campus, which includes eighty-five (85) previously constructed low-income, HUD subsidized, retirement units.

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

1.6 Qualified Permanent Resident. The term "Qualified Permanent Resident" shall mean a person residing in a Dwelling Unit and who is eighteen (18) years of age or older.

2. Restrictive Covenants

2.1 Use of Project. The Project is intended to be and shall be operated as a senior retirement 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. A person shall be



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deemed to reside in a Dwelling Unit on any day that the person remains overnight or sleeps at the Dwelling Unit.

2.2.1 Adult Residency Requirement. Except as expressly authorized in Sections 2.2.2 and 2.2.3 below, the residents of any Dwelling Unit of the Project will be restricted solely to Adults, or the spouse of a resident Adult.

2.2.2. Qualified Permanent Resident May Reside with Adult. A Qualified Permanent Resident may stay overnight to render living assistance necessary because of a medical condition, as directed by the resident's physician.

2.2.3 Temporary Guests. Visits by nonresidents who are less than fifty-five (55) years of age as guests of the residents shall not exceed thirty (30) nights in any six (6) month period, except in the case of a Qualified Permanent Resident.

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 Mount Vernon 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 Mount Vernon 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 Mount Vernon and the Mount Vernon School District No. 320 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.

SKAGIT COUNCIL HOUSING, a Washington
nonprofit corporation


By: James M. Vander Mey
Its: President

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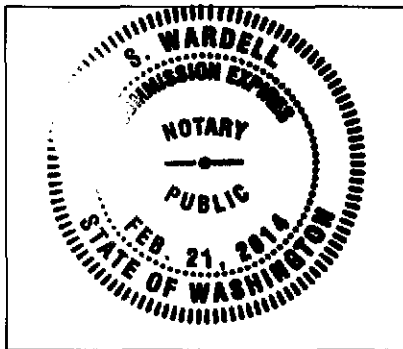
STATE OF WASHINGTON)

) ss.

COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that James M Vander Mey 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 SKAGIT COUNCIL HOUSING, a Washington nonprofit corporation, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: Sept. 20, 2012



Notary Public: S. Wardell

Print name: S. Wardell

My commission expires: 2-21-14

(Use this space for notarial stamp/seal)



EXHIBIT A

LEGAL DESCRIPTION

LOT 'C' BLA PL-12-031, RECORDED UNDER AF#201204270085, DESCRIBED AS FOLLOWS: ALL THAT PORTION OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 OF SECTION 16, TOWNSHIP 34 NORTH, RANGE 4 EAST, W.M., LYING NORTH OF THE NORTH LINE OF TRACT 4, SHORT PLAT MV-17-81, AS RECORDED IN VOLUME 5 OF SHORT PLATS, PAGE 128, LYING EAST OF THE EASTERLY LINE OF AUSTIN LANE AS SHOWN ON SAID SHORT PLAT, AND LYING SOUTH OF THE FOLLOWING DESCRIBED LINE: BEGINNING AT THE NORTHEAST CORNER OF TRACT 'B', SHORT PLAT MV-3-81, AS RECORDED IN VOLUME 5 OF SHORT PLATS, PAGE 24; THENCE SOUTH 00-33-01 EAST AND ALONG THE EAST LINE OF SAID TRACT 'B' AND ITS SOUTHERLY EXTENSION FOR A DISTANCE OF 305 FEET TO THE TRUE POINT OF BEGINNING OF THIS LINE DESCRIPTION; THENCE SOUTH 89-47-35 WEST FOR A DISTANCE OF 393.13 FEET TO THE TERMINUS OF THIS LINE DESCRIPTION. TOGETHER WITH THAT PORTION OF THE BELOW DESCRIBED TRACT 'X' LYING SOUTHERLY AND EASTERLY OF THE FOLLOWING DESCRIBED LINE: BEGINNING AT THE NORTHEAST CORNER OF SAID LOT 'B', MOUNT VERNON SHORT PLAT NO. MV-3-81, BEING A POINT ON THE EAST LINE OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 OF SECTION 16, TOWNSHIP 34 NORTH, RANGE 4 EAST, W.M.; THENCE SOUTH 0-04-45 WEST (SHOWN AS SOUTH 0-33-01 EAST ON SAID SHORT PLAT NO. MV-3-81) ALONG THE EAST LINE OF SAID LOT B, ALSO BEING THE EAST LINE OF SAID NORTHWEST 1/4 OF THE NORTHWEST 1/4 FOR A DISTANCE OF 117.35 FEET; THENCE NORTH 89-34-47 WEST, PARALLEL WITH THE NORTH LINE OF SAID LOT B, FOR A DISTANCE OF 185.00 FEET; THENCE SOUTH 0-04-45 WEST FOR A DISTANCE OF 156.00 FEET; THENCE NORTH 89-35-09 WEST FOR A DISTANCE OF 125.00 FEET; THENCE SOUTH 38-51-37 WEST FOR A DISTANCE OF 22.21 FEET, MORE OR LESS, TO A POINT ON A NON-TANGENT CURVE; THENCE ALONG THE ARC OF SAID CURVE TO THE RIGHT, CONCAVE TO THE SOUTHWEST, HAVING AN INITIAL TANGENT BEARING OF SOUTH 51-08-23 EAST A RADIUS OF 50.00 FEET, THROUGH A CENTRAL ANGLE 21-39-32, AN ARC DISTANCE OF 18.90 FEET, MORE OR LESS, TO THE SOUTH LINE OF THE ABOVE-DESCRIBED TRACT AND BEING THE

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TERMINUS OF SAID LINE. TRACT 'X': ALL THAT PORTION OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 OF SECTION 16, TOWNSHIP 34 NORTH, RANGE 4 EAST, W.M., DESCRIBED AS FOLLOWS: BEGINNING AT THE NORTHWEST CORNER OF TRACT 'B', SHORT PLAT NO. MV-3-81, APPROVED JANUARY 15, 1981, RECORDED IN THE AUDITOR'S OFFICE OF SKAGIT COUNTY, WASHINGTON; THENCE NORTH 89-47-35 EAST AND ALONG THE NORTH LINE OF SAID TRACT 'B', FOR A DISTANCE OF 393.70 FEET TO THE NORTHEAST CORNER OF SAID TRACT 'B'; THENCE SOUTH 00-33-01 EAST AND ALONG THE EAST LINE OF SAID TRACT 'B' AND ITS SOUTHERLY EXTENSION FOR A DISTANCE OF 305.00 FEET; THENCE SOUTH 89-47-35 WEST FOR A DISTANCE OF 393.13 FEET TO A POINT ON THE WEST LINE OF SAID TRACT 'B' EXTENDED SOUTHERLY; THENCE NORTH 00-39-29 WEST ALONG SAID EXTENSION AND THE WEST LINE OF TRACT 'B', A DISTANCE OF 305.01 FEET TO THE POINT OF BEGINNING. AND ALSO EXCEPT THAT PORTION THEREOF LYING WITHIN AUSTIN LANE, AS DEDICATED FOR STREET PURPOSES BY SHORT PLAT NO. MV-1 7-81, APPROVED SEPTEMBER 16, 1981.

Situate in County of Skagit, State of Washington.

