

DECLARATION OF RESTRICTIVE COVENANTS

THIS DECLARATION OF RESTRICTIVE COVENANTS (Declaration) dated as of 8 April 2005, by Creative Housing Alternatives for Maine People (CHAMP) (Recipient), its successors and assigns, is given to the United States Department of Housing and Urban Development (HUD).

RECITALS

WHEREAS, the Recipient submitted an application for a Supportive Housing Grant to HUD dated as of June 21, 2004; and was awarded said Grant by HUD in the amount of \$503,000.00; and

WHEREAS, the Recipient entered into a Supportive Housing Grant Agreement (the "Agreement") with HUD for Project Number ME01B200003 dated as of June 21, 2004; and

WHEREAS, pursuant to the Agreement, the Recipient is obligated to acquire a day center building on property described in Exhibit A hereto (the "Property"), in which a supportive housing project will be operated as defined by the Agreement; and

WHEREAS, the McKinney-Vento Homeless Assistance Act, 42 USC §§ 11381 et seq. ("ACT") imposes use and repayment requirements on projects receiving acquisition, rehabilitation and new construction funding; and

WHEREAS, the Recipient is required by the Agreement to cause to be executed an instrument in recordable form which obligates the Recipient its successors and assigns, to operate and maintain the supportive housing project in accordance with the Agreement, the ACT, and HUD regulations as provided for in the Agreement; and

WHEREAS, the Recipient under this Declaration intends, declares and covenants that the restrictive covenants set forth herein shall be and are covenants running with the Property for the term described herein, are binding upon all subsequent owners of the Property for such term, and are not merely personal covenants of the Recipient,

4pg → Sanford Title
51 Cottage St
Sanf Me 04073

NOW, THEREFORE, in consideration of the promises and covenants hereinafter set forth and of other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Recipient declares as follows:

1. The Recipient, its successors or assigns, shall operate the supportive housing project and provide supportive services throughout a period of twenty (20) years commencing from the date of initial occupancy or the provision of initial services, in accordance with the terms of the Agreement, the ACT, HUD regulations, and all applicable federal, state and local laws.

2. If, pursuant to a request from the Recipient, HUD determines that the project is no longer needed for use as supportive housing, HUD may authorize the Recipient, its successors or assigns, to convert the use of the project for the direct benefit of low-income persons. Upon expiration of the period during which the Recipient is obligated to use the Property in accordance with the Agreement, this Declaration shall terminate and shall no longer be effective.

3. The Recipient agrees, that if the project ceases to be used as supportive housing within ten (10) years after the project is placed in service, the Recipient, its successors or assigns, shall be obligated to repay HUD one hundred percent (100%) of any assistance received for acquisition, rehabilitation and new construction under the Agreement. If such project is used as supportive housing for more than ten (10) years, HUD shall reduce the percentage of the amount required to be repaid by ten (10) percentage points for each year in excess of ten (10) that the project is used as supportive housing.

4. HUD, acting by and through a duly authorized official, may approve such action as may be necessary to allow the transfer, conveyance, assignment, leasing, mortgaging, or encumbering of the Property or to accomplish the acts described above.

5. This Declaration and the covenants set forth herein regulating and restricting the use and occupancy of the Property (i) shall be and are covenants running with the Property, encumbering the Property for the term of this Declaration, and binding upon the Recipient's successors in title and all subsequent owners of the Property, (ii) are not merely personal covenants of the Recipient, and (iii) shall bind the Recipient and its respective successors and assigns during the term of this Declaration.

6. Any and all requirements of the laws of the State to be satisfied in order for the provisions of this Declaration to constitute deed restrictions and covenants running with the land shall be deemed to be satisfied in full, and that any requirements or privileges of estate are intended to be satisfied, or in the alternate, that an equitable servitude has been created to insure that these restrictions run with the land. For the term of this Declaration, each and every contract, deed, or other instrument hereafter executed conveying the Property or portion thereof shall expressly provide that such conveyance is subject to this Declaration, provided, however, that the covenants contained herein shall survive and be effective regardless of whether such contract, deed or other instrument hereafter executed conveying the Property or portion thereof provides that such conveyance is subject to this Declaration.

7. The invalidity of any clause, part or provision of this Declaration shall not affect the validity of the remaining portions thereof.

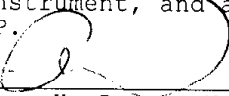
IN WITNESS WHEREOF, the Recipient has caused this Agreement to be signed by its duly authorized representatives, as of the day and year first above written.

RECIPIENT

By 
Joseph R. Hanslip, Director

STATE OF MAINE)
YORK ss.)
COUNTY OF)

On this 8th day of April 2005, before me, a notary public, personally appeared Joseph R. Hanslip, the authorized Director of CHAMP named in the foregoing instrument, and acknowledged said instrument on behalf of CHAMP.


Arthur H. Dumas- Notary Public
Commission Expires: 28 May 2008

SEAL

This Document was drafted by:
U.S. Department of Housing
and Urban Development
920 Second Avenue South
Minneapolis, MN 55402-4012

EXHIBIT A

DECLARATION OF RESTRICTIVE COVENANTS

BATES, BOWDION STREET, SANFORD

A certain lot or parcel of land with all improvements thereon, situated in the Town of Sanford, County of York and State of Maine, and situated at the intersection of Bates Street, so-called, and Bowdoin Street, so-called, and being the same property described in a warranty deed from Sanford Housing Authority to Creative Housing Alternatives for Maine People (CHAMP) by warranty deed dated 8 April 2005 and recorded in the York County Registry of Deeds in Book 14442 Page 545.

MOUSAM STREET, SANFORD

Two certain lots or parcels of land with the improvements thereon, situated on the southerly side of Mousam Street, so called, in the County of York and State of Maine and being more particularly bounded and described as follows: beginning on the South side of said Mousam Street at land now or formerly of Archie McKechnie and running southerly by McKechnie's land to land now or formerly of Reuben H. Jowett; thence northeasterly by said Jowett land to land now or formerly of Florence M. Bennett; thence northwesterly by said Bennett land to Mousam Street; thence southwesterly by said Street to point of beginning. And another certain lot or parcel of land together with any improvements thereon, situated on the southerly side of said Mousam Street, so-called and abutting the previously described lot. Being the same premises described in a deed from Walter J. Lapierre and Cecile R. Lapierre to CHAMP by warranty deed dated 19 February 1992 and recorded in the York County Registry of Deeds in Book 5979 Page 65.

END OF DOCUMENT