

When Recorded Return To:

The Washington State Department of Community,
Trade and Economic Development
Office of Community Development
Housing Finance Unit
906 Columbia Street Southwest
Post Office Box 48350
Olympia, Washington 98504-8350

Attention: Greg Black (360) 725-2916



200103060012
Skagit County Auditor
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DEED OF TRUST

FIRST AMERICAN TITLE CO.

B 62028 E-1

Grantor (Borrower): Raspberry Ridge Apartments Limited Partnership

Beneficiary (Lender): Department of Community, Trade, and Economic Development, Office of Community Development

Grantee (Trustee): First American Title of Skagit County

Legal Description (abbreviated): A portion of Lot 2 of Skagit County Short Plat No. 7-85 lying within the east 1/2 of Tract 37, "Plat of the Burlington Acreage Property", recorded in Volume 1 of plats, page 49, records of Skagit County.

Assessor's Tax Parcel ID#: 3867-000-037-0102 R62519; 3867-000-037-0003 R 62518; 3867-000-037-0805 R62528; 3867-000-037-0904 R62529

Contract Number: 01-49300-572

THIS DEED OF TRUST is made this 22 day of February, 2001, between Raspberry Ridge Apartments Limited Partnership, a Washington limited partnership, whose mailing address is 2021 E. College Way, Suite 101, Mount Vernon, WA 98273-5800 as Grantor ("Grantor"); First American Title of Skagit County, whose mailing address is 1301-B Riverside Dr., Mount Vernon, WA 98273 as Trustee ("Trustee"); and the Washington State Department of Community, Trade, and Economic Development, Office of Community Development or its successor agency, as Beneficiary ("Beneficiary"), whose address is 906 Columbia Street, S.W., P.O. Box 48350, Olympia, Washington 98504-8350.

1. Grant. Grantor hereby bargains, sells and conveys to Trustee in Trust for the benefit of Beneficiary, with power of sale the real property located in Skagit County, Washington described as:

See Attached Schedule A

according to the plat thereof, recorded in Skagit County Washington, (the "Property") together with all tenements, privileges, reversions, remainders, irrigation and water rights and stock, oil and gas rights, royalties, minerals and mineral rights, hereditaments and appurtenances belonging or in any way pertaining to the Property, and the rents issues and profits thereof. Said Property is not used principally, or at all, for agricultural or farming purposes.

2. Obligations Secured. This deed is given for the purpose of securing the following:

- (a) Payment in the amount of One Million Eight Hundred Thirty Thousand Five Hundred Forty-Six Dollars (\$1,830,546.00) with interest thereon according to the terms of a Promissory Note (the "Note") of even date herewith, payable by the Housing Authority of Skagit County to the Beneficiary, which as been assigned to and assumed by Raspberry Ridge Apartments Limited Partnership, including all renewals, modifications and extensions thereof,
- (b) Payment of any further sums advanced or loaned by Beneficiary to Grantor, or any of its successors or assigns with interest as agreed, and
- (c) Performance of each agreement, term and condition set forth in this Deed of Trust and in the Housing Finance Unit Contract Number 01-49300-572 between Housing Authority of Skagit County and Beneficiary, their successors or assigns, as now or hereafter amended (the "Contract"), which has been assigned to and assumed by Raspberry Ridge Apartments Limited Partnership pursuant to an Assignment, Assumption and Consent Agreement dated February, 23, 2001.

3. Lien Priority. This Deed of Trust shall be in a first priority lien position against the Property.

4. Protection of Security. To protect the security of this Deed of Trust, Grantor covenants and agrees:

4.1. To keep the Property in good condition and repair; to permit no waste thereof; to complete any building, structure or improvement thereon which may be damaged or destroyed; and to comply with all laws, ordinances, conditions and restrictions affecting the property.

4.2. To pay before delinquent all lawful taxes and assessments upon the Property; to keep the Property free and clear of all other charges, liens, or encumbrances impairing the security of this Deed of Trust.

4.3. To keep all buildings now or hereafter on the Property continuously insured against loss by fire or other hazards in an amount not less than the replacement cost of the Property. The amount collected under any insurance policy may be applied upon any indebtedness hereby secured in such order as the Beneficiary shall determine. Such application by the Beneficiary shall not cause discontinuance of any proceedings to foreclose this Deed of Trust. In the event of foreclosure, and subject to the rights of the Beneficiary or beneficiaries of any senior deed of trust, all rights of Grantor in insurance policies then in force shall pass to the purchaser at the foreclosure sale.

4.4. To defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee, and to pay all costs and expenses, including cost of title search and attorney's fees in a reasonable amount, in any such proceeding, and in any suit brought by Beneficiary to foreclose this Deed of Trust.

4.5. To pay all costs, fees and expenses in connection with this Deed of Trust, including the expenses of the Trustee incurred in enforcing the obligation secured hereby and Trustee's and attorney's fees actually incurred, as provided by statute.

4.6. Should Grantor fail to pay when due any taxes, assessments, insurance premiums, liens, encumbrances or other charges against the Property, Beneficiary may pay the same, and the amount so paid shall be added to and become a part of the debt secured by this Deed of Trust.

5. General Conditions. The parties hereto agree that:

5.1. In the event any portion of the Property is taken or damaged in an eminent domain proceeding, the entire amount of the award or such portion as may be necessary to fully satisfy this obligation secured hereby, shall be paid to Beneficiary to be applied to said obligation.



5.2. By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive its right to require prompt payment when due of all other sums so secured or to declare default for failure to so pay.

5.3. The Trustee shall reconvey all or any part of the Property covered by this Deed of Trust to the person entitled thereto on written request of the Grantor and the Beneficiary, or upon satisfaction of the obligations secured and written request for reconveyance made by the Beneficiary or the person entitled thereto.

5.4. Power of Sale. Pursuant to Chapter 61.24 of the Revised Codes of Washington and upon default by Grantor, which default is not cured by Grantor or a partner of Grantor within thirty (30) days after written notice to the Grantor and Grantor's limited partner(s) of such default, in the payment of any indebtedness secured hereby or in the performance of any agreement contained herein, all sums secured hereby shall immediately become due and payable. In such event and upon written notice of Beneficiary, the property shall be sold, in accordance with the Deed of Trust Act of the State of Washington, at public auction to the highest bidder. Any person may bid at the Trustee's sale. Subject to the rights of the beneficiary or beneficiaries of any senior deed of trust, the proceeds of the sale shall be applied as follows: (1) to the expense of the sale, including a reasonable Trustee's fee and attorney's fee; (2) to the obligation secured by this Deed of Trust; (3) the surplus, if any, shall be distributed to the person or persons entitled thereto.

5.5. A Trustee shall deliver to the purchaser at the sale its deed, without warranty, which shall convey to the purchaser the interest in the property which Grantor had or had the power to convey at the time of the execution of this Deed of Trust, and such as Grantor may have acquired thereafter. Trustee's deed shall recite the facts showing that the sale was conducted in compliance with all the requirements of law and of this Deed of Trust, which recital shall be prima facie evidence of such compliance and conclusive evidence thereof in favor of a bona fide purchaser for value.

5.6. The power of sale conferred by this Deed of Trust and by the Deed of Trust Act of the State of Washington is not an exclusive remedy; Beneficiary may cause this Deed of Trust to be foreclosed as a mortgage.

5.7. Beneficiary may at any time appoint or discharge the Trustee.

5.8. This Deed of Trust applies to, inures to the benefit of, and binds all parties hereto and their successors and assigns. The terms "Grantor," "Trustee," and "Beneficiary" include their successors and assigns.

6. Acceleration. If without Beneficiary's prior written consent, all or any part of the Property or any interest in it is sold, conveyed, transferred, encumbered, or the Property is not used as required by the Low Income Housing Covenant Agreement between Beneficiary and Grantor, Beneficiary may, at its option, require immediate payment in full of all sums secured by this Deed of Trust. However, this option shall not be exercised by Beneficiary if exercise is prohibited by federal law as of the date of this Deed of Trust. If Beneficiary exercises this option, Beneficiary shall give Grantor and its limited partner notice of acceleration. The notice shall provide a period of not less than thirty (30) days from the date the notice is delivered or mailed within which Grantor must pay all sums secured by this Deed of Trust. If Grantor fails to pay these sums prior to the expiration of this period, Beneficiary may invoke any remedies permitted by this Deed of Trust without further notice or demand on Grantor.



WITNESS the hand and seal of the Grantor on the day and year first written above.

Raspberry Ridge Apartments Limited Partnership, a
Washington limited partnership, by Housing Authority of
Skagit County, a Washington housing authority, general
partner

By: _____

Print Name: _____

Title: _____



STATE OF WASHINGTON

COUNTY OF SKAGIT)

On this day personally appeared before me, John M. Smith, known to be the Executive Director *, of Raspberry Ridge Apartments Limited Partnership, a Washington limited partnership, by its general partner, Housing Authority of Skagit County, a Washington housing authority, the authority that executed the within instrument and acknowledged the said instrument to be the free and voluntary act and deed of said authority for the uses and purposes therein mentioned and on oath stated that s/he was authorized to execute the same.

*Housing Authority of Skagit County, general partner

DATED: February 23rd, 2001

Karen Ashley **Karen Ashley**

Notary Public in and for the State of Washington
residing in the county of Skagit

My appointment expires 9/11/02



200103060012
Skagit County Auditor

REQUEST FOR FULL RECONVEYANCE

**TO BE USED ONLY WHEN ALL OBLIGATIONS HAVE BEEN PAID AND ALL
DUTIES PERFORMED UNDER THIS DEED OF TRUST.**

TO: TRUSTEE:

The undersigned Beneficiary is the party entitled to the performance, benefits, duties, and payments under the Housing Finance Unit Contract 01-49300-572 between Grantor and Beneficiary which is secured by this Deed of Trust and other legal documents.

The obligations thus secured have been fully paid, duties performed and satisfied, and you are hereby requested and directed, on payment to you of any sums owing to you under the terms of said Deed of Trust, including Contingent Interest, to cancel evidence of indebtedness secured by said Deed of Trust delivered to you with said Deed of Trust, and to reconvey, without warranty, to the parties designated by the terms of said Deed of Trust, all the estate now held by you hereunder.

Dated

Name

Title



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, Skagit County Auditor

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SCHEDULE "A",

**Raspberry Ridge
Burlington, Washington**

Revised Legal Description (conforming to deed at closing)

Revised Lot 2 of December 2000 BLA:

All that portion of Lots 1 and 2 of Revised Short Plat No. 7-85, approved December 3, 1985 and recorded December 4, 1985, in book 7 of Short Plats, page 55 as Auditor's File No. 8512040005 being in Section 33, Township 35 North, Range 4 East, W.M., and in Tract 37 "Plat of the Burlington Acreage Property" as per plat recorded in Volume 1 of Plats, Page 49, records of Skagit County, Washington lying EAST of the West ½ of said Tract 37 "Plat of the Burlington Acreage Property". TOGETHER WITH Easement "N" described as follows:

Ingress/Egress & Utilities Easement

An Easement for Ingress, Egress and Utilities, being 40 feet in width, having a contiguous center line, described as follows:

Commencing at the Northwest corner of Lot 1 of the Revised Short Plat No. 7-85, approved December 3, 1985, recorded December 4, 1985, in Book 7 of Short Plats, page 55, under Auditor's File No. 8512040005, records of Skagit County, Washington; thence South 01°03'02" East along the West line of said Lot 1, being 30.00 feet East of the centerline of Gardner Road, for 125.72 feet, to the True Point of Beginning of this 40 foot easement, being 20.00 feet on either side of a contiguous centerline; thence along the contiguous centerline North 89°31'44" East, being 20.00 feet North of and parallel with the South line of that easement as described under Auditor's File No. 8512050002, for 300.00 feet; thence continuing along said contiguous centerline, the 40 foot easement of which will have a variable width from 20 feet north of and 20 feet south of said centerline, to 23 feet north of and 17 feet south of said centerline, South 82°20'17" East for 76.00 feet; thence continuing along said contiguous centerline, the 40 foot easement of which now lies 23.00 feet North of and 17.00 feet South of the centerline, North 89°32'10" East for 270.46 feet, to the West line of the East ½ of Tract 37, "PLAT OF THE BURLINGTON ACREAGE PROPERTY", as per plat recorded in Volume 1 of Plats, page 49, records of Skagit County, Washington, the terminus of this 40 foot easement.



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