

When Recorded Return to:

Washington State Department of Community,
Trade and Economic Development
Office of Community Development
P.O. Box 48350
Olympia, WA 98504-8350

Attention: Greg Black (360) 725-2916

200112100234
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FIRST AMERICAN TITLE CO.

67252
ASSIGNMENT, ASSUMPTION AND CONSENT AGREEMENT

Grantor (Assignor): Housing Authority of Skagit County

Grantee (Assignee): Raspberry Ridge Apartments Limited Partnership

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

Legal Description (abbrev): 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 Property Tax Parcel Number(s): 3867-000-037-0102 R62519; 3867-000-037-0003 R 62518; 3867-000-037-0805 R62528; 3867-000-037-0904 R62529

Contract Number of Documents Assigned: 01-49300-572

THIS ASSIGNMENT, ASSUMPTION AND CONSENT AGREEMENT ("Assumption Agreement") is entered into as of this 27th day of February 2001, by and among Housing Authority of Skagit County, a Washington housing authority with its principal offices at 2021 E. College Way, Suite 101, Mount Vernon, WA 98273-5800 (hereinafter called "Assignor"), Raspberry Ridge Apartments Limited Partnership, a Washington limited partnership, with its principal offices at 2021 E. College Way, Suite 101, Mount Vernon, WA 98273-5800 (hereinafter called "Assignee"), and Department of Community, Trade and Economic Development, Office of Community Development whose address is P.O. Box 48350, Olympia, Washington 98504-8350 (hereinafter called "Lender").

WHEREAS, Assignor and Lender are parties to that certain Loan Agreement Contract Number 01-49300-572 dated as of February 27, 2001 whereby Lender has agreed to loan Assignor One Million Eight Hundred Thirty Thousand Five Hundred Forty-Six Dollars (\$1,830,546.00) (the "Loan Agreement");

WHEREAS, Assignor executed a Promissory Note (the "Note") dated this 22nd day of February, 2001 to pay Lender or the holder of the Note the principal sum of One Million Eight Hundred Thirty Thousand Five Hundred Forty-Six Dollars (\$1,830,546.00);

WHEREAS, on this 22 day of February, 2001, to secure payment of the Note, Assignee executed a Deed of Trust (the "Deed of Trust") naming the Lender as the Beneficiary, which Deed of Trust was recorded under Skagit County Auditor's Number 200103060012 and concerned real property (the "Property") located in Skagit County, Washington described as follows:

See Attached Schedule "A"

WHEREAS, Assignor wishes to assign to Assignee and to have Assignee assume all of Assignor's rights and obligations under the Loan Agreement and the Note and Assignee is willing to assume all of said obligations of Assignor thereunder; and

WHEREAS, Assignor seeks the consent of Lender to the assignment and assumption of the Loan Agreement and the Note as set forth herein, and Lender is willing to grant such consent on the terms and conditions set forth herein;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Assignment. Assignor hereby sells, transfers, assigns, grants, and conveys to Assignee all of its right, title, obligations and interest existing as of this date in and under the Loan Agreement and the Note.

2. Assumption. Assignee hereby expressly assumes and agrees to make punctual payment when due (whether on the stated dates, by acceleration or otherwise) of the principal of and interest on the Loan and the Note, as set forth in the Loan Agreement and the Note. Assignee further assumes all other obligations of Assignor under the Loan Agreement and the Note subject to the nonrecourse provisions therein. Assignee hereby expressly assumes and agrees to perform, observe and confirm all the covenants, agreements, terms, conditions, obligations, duties and liabilities of Assignor under the Loan Agreement and the Note, and any other documents or instruments executed and delivered or furnished by Assignor in connection therewith.

3. Consent. Lender hereby consents to the foregoing assignment and assumption of the Loan Agreement and the Note pursuant to the terms and conditions set forth herein.

4. Representations and Warranties of Assignee. In order to induce Lender to consent to the assignment and assumption provided for herein, Assignee hereby represents to Lender the following:

- (a) Assignee is a limited partnership duly organized and validly existing under the laws of the State of Washington.
- (b) Assignee has the full right, power and authority to conduct all of the activities which are now conducted by it or proposed to be conducted as contemplated by the Loan Agreement, to execute, deliver and perform under this Assumption Agreement, and to assume the obligations of Assignor and to fulfill its duties under the Loan Agreement. The general partner of Assignee has full right, power and authority to execute and deliver this Agreement on behalf of Assignee.
- (c) There is no action, suit or proceeding or any investigation pending or, to the best of Assignee's knowledge, threatened against or affecting Assignee or its general partner at law or in equity in any court or by any federal, state, municipal or other governmental authority, department, commission, board, agency or other governmental instrumentality which is likely to have an adverse effect on Assignee's ability to assume the obligations and to fulfill the duties of Assignor under the Loan Agreement.
- (d) Neither Assignee nor its general partner is in default or alleged to be in default with respect to any judgment, order, writ, injunction or decree or in breach or alleged to be in breach or default under any material lease, contract, agreement, commitment, instrument or obligation to which it is a party or by which it or its property is bound; and to the best of Assignee's knowledge, there is no state of facts



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which is likely to create or cause a default or breach under any such material lease, contract, agreement, commitment, instrument or obligation.

- (e) To the best of Assignee's knowledge and belief, Assignee has complied in all material respects with all federal, state and local laws, regulations and orders applicable to the ownership of its properties and the conduct of its operations.
- (f) To the best of Assignee's knowledge and belief, Assignee has taken all partnership and other action, and the general partner has taken all corporate and other action, necessary to authorize the execution and delivery of this Assumption Agreement, and this Assumption Agreement is a valid and binding obligation of Assignee, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other law and equity principles applied for the relief of debtors heretofore or hereafter enacted, to the extent that the same may be constitutionally applied. To the best of Assignee's knowledge and belief, neither the execution and delivery of this Assumption Agreement nor the consummation of the transactions contemplated hereby will constitute a violation or breach of Assignee's Agreement of Limited Partnership or any provision of any contract or other instrument to which Assignee or Assignee's general partner is a party or by which either or the property of either is bound, or any constitutional provision, statute or ordinance, or any order, writ, injunction, decree, rule or regulation of any court or regulatory agency. No consent, order, authorization or other approval of any governmental body or agency is required in order for Assignee to execute, deliver and perform its obligations under this Assumption Agreement.

5. Representations and Warranties of Assignor. In order to induce Lender to consent to the assignment and assumption provided for herein, assignor hereby represents to Lender that the representations and warranties of Assignor in the Loan Agreement are true and correct in all material respects as of the date hereof.

6. Further Assurances. At any time and from time to time, upon Lender's request, Assignee will promptly and duly execute and deliver any and all further instruments and documents and take such further action as reasonably requested by Lender to effect the purposes of this Agreement, including (without limitation) the filing of any financing or continuation statements under the Uniform Commercial Code in effect in any jurisdiction in order to place on the public records notice of the effect of this Assumption Agreement.

7. Survival of Representation and Warranties. All representations and warranties made in this Assumption Agreement and in any document, certificate or statement delivered by Assignee in connection herewith shall survive the execution and delivery of this Assumption Agreement.

8. Successors and Assigns. This Assumption Agreement shall be binding upon Assignee and its successors and assigns and shall inure to the benefit of Lender and its successors and assigns; provided, however that Assignee shall not have the right to assign any of its obligations or rights hereunder, except as expressly provided herein, without the prior written consent of Lender.

9. Governing Law. This Assumption Agreement shall be governed by and construed and interpreted in accordance with, the laws of the State of Washington.

IN WITNESS WHEREOF, the undersigned have caused this Assumption Agreement to be duly executed and delivered by their duly authorized representatives on the day and year first above written.



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ASSIGNOR:

Housing Authority of Skagit County, a Washington housing authority

By: John M. Smith

Print Name: John M. Smith

Title: Executive Director

ASSIGNEE:

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

By: John M. Smith

Print Name: John M. Smith

Title: Executive Director

LENDER:

Department of Community, Trade and Economic Development, Office of Community Development

By: Ray Price

Print Name: Ray Price, Assistant Director, Housing Division

Date: 2-27-01

STATE OF WASHINGTON)

) ss.

COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that John M. Smith 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 Executive Director of Housing Authority of Skagit County, a Washington housing authority, to be the free and voluntary act and deed of such housing authority corporation for the uses and purposes mentioned in the instrument.

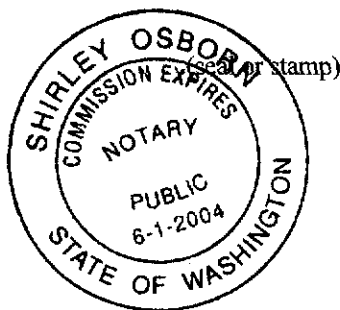
Date: 2-23-2001

Shirley Osborn
Notary Public in and for the State of Washington,
residing at Bow, WA.

My commission expires 6-1-2004



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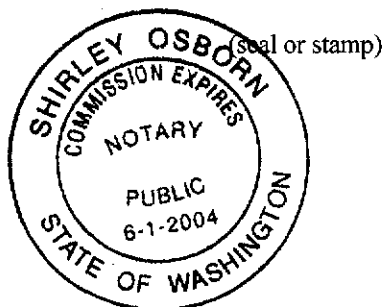
STATE OF WASHINGTON)
) ss.
COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that John M. Smith 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 Executive Director Housing Authority of Skagit County, a Washington housing authority, to me known to be the general partner of Raspberry Ridge Apartments Limited Partnership, a Washington limited partnership, to be the free and voluntary act and deed of such housing authority on behalf of such partnership for the uses and purposes mentioned in the instrument.

Date: 2-23-2001

Shirley Osborn
Notary Public in and for the State of Washington,
residing at Bow, WA.

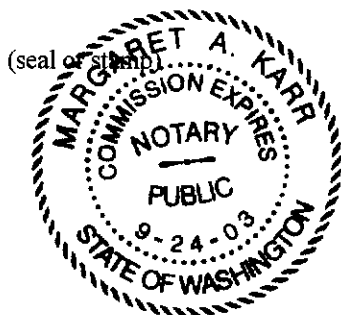
My commission expires 6-1-2004



STATE OF WASHINGTON)
) ss
COUNTY OF THURSTON)

On this 27th day of February, 2001, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Ray Price, to me known to be the Assistant Director of Housing for the Department of Community, Trade and Economic Development, Office of Community Development, a Washington state agency, that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said state agency, for the uses and purposes therein mentioned, and on oath state that he/she was authorized to execute the said instrument.

WITNESS my hand and official seal hereto affixed the day and year in this certificate above written.



Margaret A. Karr
Notary Public in and for the State of Washington,
residing at Olympia

My commission expires 9/24/2003



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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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