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When Recorded Return to:

Washington State Department of Community,
Trade and Economic Development
Housing Trust Fund
P.O. Box 42525
Olympia, WA 98504-2525

This instrument is rerecorded to be
sequential with Statutory Warranty Deed.

Attention: Dan Schilling, (360) 725-2902

LAND TITLE OF SKAGIT COUNTY 127474-SE

ASSIGNMENT, ASSUMPTION AND CONSENT AGREEMENT

Grantor (Assignor): Housing Authority of Skagit County

Grantee (Assignee): Raspberry Ridge II LLC

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

Legal Description (abbrev): Ptn. Tracts 25 and 36 Burl. Acreage and Ptn. NW-SE and NE-SW of 33-35-04

Assessor's Property Tax Parcel Number(s): P126057, P62437, P62504

Contract Number of Documents Assigned: 06-94100-053

THIS ASSIGNMENT, ASSUMPTION AND CONSENT AGREEMENT ("Assumption Agreement") is entered into as of this 26th day of June, 2007, by and among Housing Authority of Skagit County, a public body corporate and politic of the State of Washington with its principal offices at 1650 Port Drive, Burlington, Washington 98233 (hereinafter called "Assignor"), Raspberry Ridge II LLC, a Washington limited liability company, whose mailing address is 1650 Port Drive, Burlington, Washington 98233 (hereinafter called "Assignee"), and the Department of Community, Trade and Economic Development, whose address is 906 Columbia Street, P.O. Box 42525, Olympia, Washington 98504-2525 (hereinafter called "Lender").

WHEREAS, Assignor and Lender are parties to that certain Housing Trust Fund Contract Number 06-94100-053 dated as of June 26, 2007 whereby Lender has agreed to loan Assignor One Million Six Hundred Thousand Dollars (\$1,600,000.00) (the "Contract");

WHEREAS, Assignor executed a Promissory Note (the "Note") dated the 26th day of June, 2007 to pay Lender or the holder of the Note the principal sum of One Million Six Hundred Thousand Dollars (\$1,600,000.00);

WHEREAS, on the 26th day of June, 2007 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 200706260085 and concerned real property (the "Property") located in Skagit County, Washington described as follows:

See attached full legal description.

WHEREAS, Assignor wishes to assign to Assignee and to have Assignee assume all of Assignor's rights and obligations under the Contract 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 Contract 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 Contract 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 Note, as set forth in the Contract and the Note. Assignee further assumes all other obligations of Assignor under the Contract 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 Contract 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 Assignor's obligations under the Contract and the Note pursuant to the terms and conditions set forth herein, provided, however, that the Assignor is not released from such obligations on account of such consent.

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 that:

- (a) Assignee is a limited liability company 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 Contract, to execute, deliver and perform under this Assumption Agreement, and to assume the obligations of Assignor and to fulfill its duties under the Contract. The managing member 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 managing member 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 Contract.
- (d) Neither Assignee nor its managing member 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 company and other action, and the managing member 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 limited liability company agreement or any provision of any contract or other instrument to which Assignee or Assignee's managing member 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 Contract 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 Lender may deem reasonable 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.

10. Non-Recourse Loan: Notwithstanding anything to the contrary herein, Assignor, the Assignee, their assigns and their respective members, partners, officers, directors, employees, agents and contractors shall have no personal liability for payment of the indebtedness evidenced hereby or performance of the covenants set forth in the Note, in the Deed of Trust or in the Contract, and the recourse of the holder hereof shall be confined to the exercise



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of its rights under the Deed of Trust, provided that nothing shall diminish the Assignor's liability for damages or deficiencies resulting from theft, waste, fraud, material misrepresentation and misuse of rents.

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

ASSIGNOR:

Housing Authority of Skagit County, a public body corporate and politic of the State of Washington

By: Paul Colbert

Print Name: Paul Colbert

Title: Executive Director

ASSIGNEE:

Raspberry Ridge II LLC, a Washington limited liability company, by Housing Authority of Skagit County, a public body corporate and politic of the State of Washington, managing member

By: Paul Colbert

Print Name: Paul Colbert

Title: Executive Director

LENDER:

Department of Community, Trade and Economic Development

By: Will Graham

Print Name: Will Graham

Title: Assistant Director for Housing

Date: 6/29/07

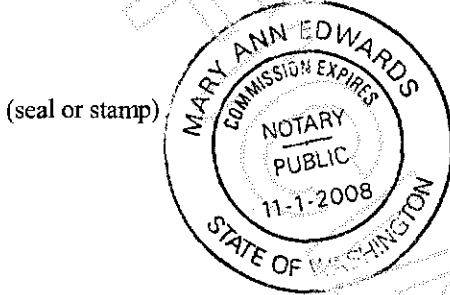


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STATE OF WASHINGTON)
) ss.
COUNTY OF SKAGIT)

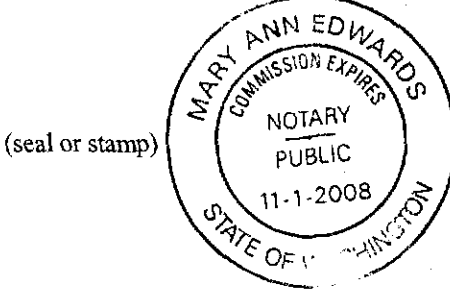
I certify that I know or have satisfactory evidence that Paul Colbert is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the EXEC. DIR. of Housing Authority of Skagit County, a public body corporate and politic of the State of Washington, to be the free and voluntary act and deed of such local housing authority for the uses and purposes mentioned in the instrument.



Date: 5-26-07
Mary Ann Edwards
Notary Public in and for the State of Washington,
residing at Balcomen
My commission expires 11-01-2008

STATE OF WASHINGTON)
) ss.
COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that Paul Colbert 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 Housing Authority of Skagit County, a public body corporate and politic of the State of Washington, to me known to be managing member of Raspberry Ridge II LLC, a Washington limited liability company, to be the free and voluntary act and deed of such non-profit corporation on behalf of such partnership for the uses and purposes mentioned in the instrument.



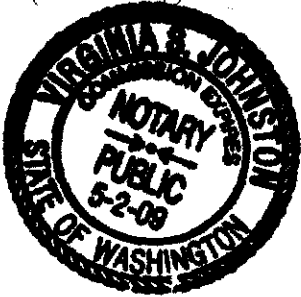
Date: 5-26-07
Mary Ann Edwards
Notary Public in and for the State of Washington,
residing at Balcomen
My commission expires 11-01-2008

STATE OF WASHINGTON)
) ss
COUNTY OF THURSTON)

On this 29th day of June, 2007, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Will Graham to me known to be the Assistant Director for Housing, of Department of Community, Trade and Economic Development, 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 was authorized to execute the said instrument.

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

(seal or stamp)



Virginia Johnston
Notary Public in and for the State of Washington,
residing at Pierce County

My commission expires 5-2-09



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Exhibit B

Descriptions After Adjustment

New Parcel 1

That portion of the Northwest Quarter of the Southeast Quarter and the Northeast Quarter of the Southwest Quarter of Section 33, Township 35 North, Range 4, East, W. M. and of Tracts 25 and 36, " PLAT OF THE BURLINGTON ACREAGE PROPERTY," as per plat recorded in Volume 1 of Plats, page 49, records of Skagit County, Washington, being more particularly described as follows:

Beginning on the West line of said Northwest Quarter of the Southeast Quarter at a point South 0 Degrees 01'36" West, a distance of 201.00 feet from the center of said Section 33; thence South 89 Degrees 40'42" East parallel with the North line of said Southeast Quarter a distance of 290.00 feet; thence South 0 Degrees 01'36" West, parallel to the West line of said Southeast Quarter, a distance of 404.00 feet; thence North 89 Degrees 40'42" West, parallel to the North line of said Southeast Quarter, a distance of 257.00 feet; thence South 0 Degrees 01'36" West, parallel to the West line of said Southeast Quarter, a distance of 206.55 feet; thence North 89 Degrees 40'42" West, parallel to the North line of said Southeast Quarter a distance of 33.00 feet to the West line of said Southeast Quarter; thence continuing North 89 Degrees 40'42" West, parallel to the North line of said Southeast Quarter a distance of 247.68 feet; thence North 0 Degrees 01'36" East, parallel to the East line of said Southwest Quarter, a distance of 610.55 feet; thence South 89 Degrees 40'42" East, parallel to the North line of said Southeast Quarter, a distance of 247.68 feet to the **Point of Beginning**.

TOGETHER with a non-exclusive easement for ingress, egress and utilities, over, under and across the West 65.00 feet of the East 247.68 feet of the North 201.00 feet of the Northeast Quarter of the Southwest Quarter of Section 33, Township 35 North, Range 4 East, W.M., also being a portion of said Tract 25 of "PLAT OF BURLINGTON ACREAGE PROPERTY";

EXCEPT that portion within the right-of-way of Lafayette Road.

Situate in the County of Skagit, State of Washington.

New Parcel 2

That portion of the Northwest Quarter of the Southeast Quarter and the Northeast Quarter of the Southwest Quarter of Section 33, Township 35 North, Range 4, East, W. M. and of Tracts 25 and 36, " PLAT OF THE BURLINGTON ACREAGE PROPERTY," as per plat recorded in Volume 1 of Plats, page 49, records of Skagit County, Washington, being more particularly described as follows:

Commencing at the center of said Section 33; thence South 0 Degrees 01'36" West along the East line of said Northeast Quarter of the Southwest Quarter a distance of 30.00 feet to the South right of way margin of Lafayette Road being the **TRUE POINT OF BEGINNING**; thence South 0 Degrees 01'36" West along the East line of said Southwest Quarter a distance of 171.00 feet; thence North 89 Degrees 40'42" West parallel to the North line of said Southeast Quarter, a distance of 247.68 feet; thence South 0 Degrees 01'36" West parallel to said East line of the Southwest Quarter, a distance of 610.55 feet; thence South 89 Degrees 40'42" East a distance of 280.68 feet to the East line of that parcel described as Parcel "P" conveyed to The Housing Authority of Skagit County under Auditor's File No. 200207260012, records of Skagit County, Washington; thence South 0 Degrees 01'36" West parallel to the said East line of the Southwest Quarter of said Section 33 a distance of 504.91 feet to the South line of said Northwest Quarter of the Southeast Quarter; thence North 89 Degrees 50'56" West along said South line of the Northwest Quarter of the Southeast Quarter a distance of 33.00 feet to the Southeast corner of said Northeast Quarter of the Southwest Quarter, also being on the South line of said Tract 36 of said Burlington Acreage; thence North 89 Degrees 51'24" West along said South line of Tract 36 a distance of 418.84 feet to a point lying 241.00 feet East of the



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Exhibit B-continued

New Parcel 2-continued

Southwest corner of the East Half of said Tract 36; thence North 0 Degrees 10'27" East along the East line of that parcel conveyed to Housing Authority of Skagit County under Auditor's File No. 200210280188, a distance of 658.88 feet to a point on the North line of said Tract 36 lying 241.00 feet East of the Northwest corner of the East Half of said Tract 36, said point being the Northeast corner of that parcel conveyed to Housing Authority of Skagit County, under Auditor's File No. 200210280188; thence North 89 Degrees 46'29" West along the North line of said Tract 36 a distance of 269.60 feet to the Southwest corner of a tract described as Parcel "S" conveyed to Housing Authority of Skagit County under Auditor's File No. 200207260012, records of Skagit County; thence North 0 Degrees 00'41" East along the West line of said Parcel "S", a distance of 418.27 feet to the Northwest corner of said Parcel "S", being also a point on the South line of the North 211.00 feet of said Tract 25 of said Burlington Acreage; thence South 89 Degrees 41'31" East along the South line of said North 211.00 feet of Tract 25, a distance of 210.79 feet to the Southwest corner of that parcel described as parcel "R" conveyed to Housing Authority of Skagit County under Auditor's File No. 200207260012; thence North 0 Degrees 10'28" East, along the West line of said Parcel "R", a distance of 206.55 feet to the South right of way line of the Lafayette Road; thence North 89 Degrees 46'20" East along the South right of way line of Lafayette Road a distance of 475.53 feet to the **TRUE POINT OF BEGINNING**.

SUBJECT TO a non-exclusive easement for ingress, egress and utilities, over, under and across the West 65.00 feet of the East 247.68 feet of the North 201.00 feet of the Northeast Quarter of the Southwest Quarter of Section 33, Township 35 North, Range 4 East, W.M., EXCEPT that portion within the right-of-way of Lafayette Road.



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DESCRIPTION:

Parcel 1 of that certain Boundary Line Adjustment evidenced by Deed recorded March 14, 2007, under Auditor's File No. 200703140071, records of Skagit County, Washington, more fully described as follows:

That portion of the Northwest $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ and the Northeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 33, Township 35 North, Range 4 East, W.M. and of Tracts 25 and 36, "PLAT OF THE BURLINGTON ACREAGE PROPERTY," as per plat recorded in Volume 1 of Plats, page 49, records of Skagit County, Washington, being more particularly described as follows:

Beginning on the West line of said Northwest $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ at a point South $0^{\circ}01'36''$ West, a distance of 201.00 feet from the center of said Section 33;
thence South $89^{\circ}40'42''$ East parallel with the North line of said Southeast $\frac{1}{4}$ a distance of 290.00 feet;
thence South $0^{\circ}01'36''$ West, parallel to the West line of said Southeast $\frac{1}{4}$, a distance of 404.00 feet;
thence North $89^{\circ}40'42''$ West, parallel to the North line of said Southeast $\frac{1}{4}$, a distance of 257.00 feet;
thence South $0^{\circ}01'36''$ West, parallel to the West line of said Southeast $\frac{1}{4}$, a distance of 206.55 feet;
thence North $89^{\circ}40'42''$ West, parallel to the North line of said Southeast $\frac{1}{4}$ a distance of 33.00 feet to the West line of said Southeast $\frac{1}{4}$;
thence continuing North $89^{\circ}40'42''$ West, parallel to the North line of said Southeast $\frac{1}{4}$ a distance of 247.68 feet;
thence North $0^{\circ}01'36''$ East, parallel to the East line of said Southwest $\frac{1}{4}$, a distance of 610.55 feet;
thence South $89^{\circ}40'42''$ East, parallel to the North line of said Southeast $\frac{1}{4}$, a distance of 247.68 feet to the Point of Beginning.

TOGETHER WITH a non-exclusive easement for ingress, egress and utilities, over, under and across the West 65.00 feet of the East 247.68 feet of the North 201.00 feet of the Northeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 33, Township 35 North, Range 4 East, W.M., also being a portion of said Tract 25 of "PLAT OF THE BURLINGTON ACREAGE PROPERTY",

EXCEPT that portion within the right-of-way of Lafayette Road.

Situate in the County of Skagit, State of Washington.



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