

RECORDED AT THE REQUEST OF
AND AFTER RECORDING RETURN TO:
Kantor Taylor McCarthy
ATTN: Susan Boyd
1501 Fourth Avenue, Suite 1610
Seattle, WA 98101

127474-SE

LAND TITLE OF SKAGIT COUNTY

**DEED OF TRUST
(Sponsor Loan)**

Grantor (Borrower):

Raspberry Ridge II LLC,
a Washington limited liability company

Grantee (Lender):

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

Grantee (Trustee):

Land Title of Skagit County

Legal Description

Ptn. Tracts 25 and 36 Burl. Acreage and Ptn. NW-SE
and NE-SW of 33-35-04

Assessor's Tax Parcel

P126057, P126054

ID Number:

THIS DEED OF TRUST ("Deed of Trust"), is made this 15th day of October, 2007 among RASPBERRY RIDGE II LLC, a Washington limited liability company, the address of which is 1650 Port Drive, Burlington, WA 98233 ("Grantor"); LAND TITLE, a Washington corporation, the address of which is P.O. Box 445, Burlington, WA 98233 and its successors in trust and assigns ("Trustee"), and the HOUSING AUTHORITY OF SKAGIT COUNTY ("Beneficiary").

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 on **Exhibit A** hereto (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 payment in the amount of ONE HUNDRED FIFTY THOUSAND AND 00/100 DOLLARS (\$150,000) according to the terms of a Promissory Note (the "Note") of even date herewith, payable by Grantor to the Beneficiary including all renewals, modifications and extensions thereof.



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3. Lien Priority. This Deed of Trust shall be in a subordinate lien priority 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.

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, subject to the rights of senior lien holders, 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



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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 Code of Washington and upon default by Grantor without timely cure and after written notice of thirty (30) days 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.

[signature and notary block appear on the following page]



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IN WITNESS HEREOF, Grantor has executed this Deed of Trust on the date first written above.

RASPBERRY RIDGE II LLC,
a Washington limited liability company,

By: Housing Authority of Skagit County,
a Washington public body corporate and politic

By: Paul Colbert
Name: Paul Colbert
Title: Executive Director

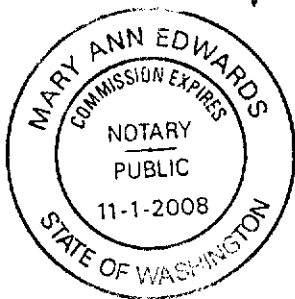
STATE OF WASHINGTON

COUNTY OF SKAGIT

ss.

I certify that I know or have satisfactory evidence that Paul Colbert is the person who appeared before me, and said person acknowledged that said person signed this instrument, on oath stated that said person was authorized to execute the instrument and acknowledged it as the Ex. Dir. of the Housing Authority of Skagit County, a Washington public body corporate and politic, the Managing Member of Raspberry Ridge II LLC, to be the free and voluntary act of such limited liability company for the uses and purposes mentioned in the instrument.

Dated this 28th day of Sept, 2007.



Mary Ann Edwards
(Signature of Notary)

MARY ANN EDWARDS
(Legibly Print or Stamp Name of Notary)

Notary public in and for the state of Washington, residing at Salmon



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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 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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EXHIBIT A
Legal Description:



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Schedule "A-1"

127474-SE

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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