

Return Address:

Washington Community Reinvestment Association
P.O. Box 2609
Seattle, WA 98111-2609
Loan No. 2-070297



200809150131

Skagit County Auditor

9/15/2008 Page 1 of 6 3:38PM

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LAND TITLE OF SKAGIT COUNTY

RIGHT OF FIRST REFUSAL SUBORDINATION AGREEMENT

Reference numbers of related documents:

on page 2 of document

Grantor(s):

1. RASBERRY RIDGE II LLC,
2. HOUSING AUTHORITY OF SKAGIT COUNTY
- 3.

etc. additional names on page ____ of document

Grantee(s):

1. Washington Community Reinvestment Association
- 2.
- 3.

etc. additional names on page ____ of document

Legal Description:

1. ptn Tr. 25 & 36, Burl. Acreage
2. Additional legal description is on page 5 of document

Assessor's Property Tax Parcel Account Number(s):

3867-000-025-1400 and 3867-000-036-1300

AUDITOR FILE NO. 200809150129

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P.O. Box 2609
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RIGHT OF FIRST REFUSAL SUBORDINATION AGREEMENT

This Agreement is made as of the 2nd day of September 2008, by HOUSING AUTHORITY OF SKAGIT COUNTY, a Washington public body corporate and politic ("Subordinator"), and RASPBERRY RIDGE II LLC, a Washington limited liability company ("Owner"), with references to the following facts:

A. Owner heretofore granted a Right of First Refusal as provided in Section 14.02 of the First Amended and Restated Operating Agreement of the Owner to subordinator ("Option Agreement"), to purchase the real property legally described in Exhibit A attached hereto ("Property") and other property described therein.

B. WASHINGTON COMMUNITY REINVESTMENT ASSOCIATION, a Washington nonprofit corporation ("Lender") has agreed to make a loan of \$330,000.00 to Owner secured by a multifamily deed of trust, assignment of rents and security agreement covering the Property ("Deed of Trust").

C. Lender has required that Owner and Subordinator enter into a subordination agreement in favor of Lender.

NOW, THEREFORE, for good and valuable consideration, receipt whereof is hereby acknowledged, the parties agree as follows:

1. Subordinator and Owner hereby authorize Lender to insert the recording data of the Deed of Trust in the space provided below when the Deed of Trust has been recorded. The Deed of Trust was recorded SEPTEMBER 15 under SKAGIT County, Washington, recording No. 200809150129.
2008

2. Subordinator hereby subordinates the Option Agreement and all of its rights thereunder in and to the Property to the lien of the Deed of Trust and all advances or charges made or accruing thereunder, including any extension, renewal or modification thereof.

3. Subordinator acknowledges that Subordinator:

(a) has had the opportunity to examine the terms of the Deed of Trust and the note and agreements relating thereto prior to the execution hereof;

(b) consents to and approves the same;

(c) agrees that Lender has no obligation to Subordinator to advance any funds under the Deed of Trust or to see to the application of any funds advanced by Lender; and



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- (d) recognizes that any application of use of such funds for purposes other than those provided for in the Deed of Trust, or any note or other agreements secured thereby or related thereto shall not defeat, in whole or in part, the subordination made herein.

Lender may, without notice to Subordinator, amend or modify the Deed of Trust, the Note, and all agreements relating thereto (the "Loan Documents"), release any or all parties liable for the indebtedness secured by the Deed of Trust, and release all or any security for the indebtedness secured by the Deed of Trust. Subordinator waives any right to require marshalling of assets or to require Lender to proceed against or exhaust any specific security for the indebtedness secured by the Deed of Trust, and any defense arising out of the loss or impairment of any right of subrogation to the lien of the Deed of Trust.

4. It is understood, acknowledged and agreed by the parties hereto that Lender would not make the loan secured by the Deed of Trust without this Agreement.

5. This Agreement is the entire agreement between the parties hereto with regard to the subordination of the Option Agreement and all of Subordinator's rights in and to the Property to the lien or charge of the Deed of Trust and shall supersede and cancel any prior agreements as to such, or any, subordination. This Agreement shall be governed by the laws of the state in which the Property is located. In any action, suit or appeal therefrom, involving the enforcement or interpretation of this Agreement, the prevailing party shall be entitled to recover from the other party or parties its costs incurred therein, including reasonable attorney fees. This Agreement shall inure to the benefit of and bind the heirs, personal representatives, successors, and assigns of the parties hereto.


6. Lender may, without notice to Subordinator, amend or modify the Deed of Trust, the Note, and all agreements relating thereto (the "Loan Documents"), release any or all parties liable for the indebtedness secured by the Deed of Trust, and release all or any security for the indebtedness secured by the Deed of Trust. Subordinator waives any right to require marshalling of assets or to require Lender to proceed against or exhaust any specific security for the indebtedness secured by the Deed of Trust, and any defense arising out of the loss or impairment of any right of subrogation to the lien of the Deed of Trust.

EXECUTED as of the day and year first above written.

OWNER:

RASBERRY RIDGE II LLC,,
a Washington limited liability company

BY: HOUSING AUTHORITY OF SKAGIT COUNTY,
a Washington public body corporate and politic, its managing member

By: 
Paul Colbert, Executive Director

SUBORDINATOR:

HOUSING AUTHORITY OF SKAGIT COUNTY, a Washington non-profit corporation

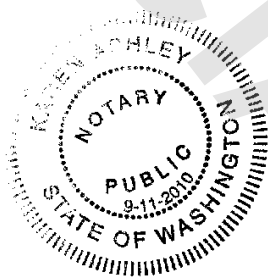
By: 
Paul Colbert, Executive Director

NOTARY

STATE OF WASHINGTON)
) ss.
COUNTY OF SKAGIT)

On this 9TH day of SEPT, 2008, before me, the undersigned, a Notary Public in and for the State of WASHINGTON, duly commissioned and sworn, personally appeared Paul Colbert, to me known to be the person who signed as Executive Director of THE HOUSING AUTHORITY OF SKAGIT COUNTY, a Washington public body corporate and politic, the public body acting as managing member of RASPBERRY RIDGE II LLC, a Washington limited liability company, the limited liability company that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of the public body as managing member and of the limited liability company for the uses and purposes therein mentioned; and on oath stated that he was duly elected, qualified and acting as said officer of the public body and that he was authorized to execute the said instrument on behalf of the public body and that the seal affixed, if any, is the corporate seal of the public body, and that the public body was authorized to execute said instrument on behalf of the limited liability company.

IN WITNESS WHEREOF I have hereunto set my hand and official seal the day and year first above written.



Karen Ashley
(Signature of Notary)

KAREN ASHLEY

(Print or stamp name of Notary)

NOTARY PUBLIC in and for the State of WASHINGTON,
residing at SEDRO-WOOLLEY

My appointment expires: 9/11/2010



200809150131
Skagit County Auditor

STATE OF WASHINGTON)

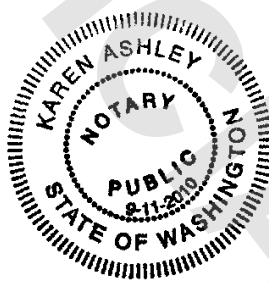
) ss.

COUNTY OF SKAGIT)

September

On this 9 day of ~~August~~ 2008, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Paul Colbert, to me known to be the person who signed as Executive Director of THE HOUSING AUTHORITY OF SKAGIT COUNTY, a Washington public body corporate and politic, the public body that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said public body for the uses and purposes therein mentioned, and on oath stated that he was duly elected, qualified and acting as said officer of the public body, that he was authorized to execute said instrument and that the seal affixed, if any, is the corporate seal of said public body.

IN WITNESS WHEREOF I have hereunto set my hand and official seal the day and year first above written.



Karen Ashley
(Signature of Notary)

Karen Ashley

(Print or stamp name of Notary)

NOTARY PUBLIC in and for the State of WASHINGTON,

residing at Sedro-Woolley

My appointment expires: 9/11/2010

EXHIBIT "A"

LEGAL DESCRIPTION

The land referred to in this commitment is situated in the county of SKAGIT, state of Washington, and described as follows:

Parcel I 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 61 0.55 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.

End of Exhibit A

