

When Recorded Return To:

The Washington State Department of Commerce
HOME Program
1011 Plum Street SE
Post Office Box 42525
Olympia, Washington 98504-2525

Attention: HFU Contracts/Fiscal Group

GNW M 10321

FIRST AMENDED AND RESTATED DEED OF TRUST**Reference Number of Document 201605310075****Amended:**

Grantor (Borrower): Housing Authority of Skagit County
Beneficiary (Lender): Department of Commerce
Grantee (Trustee): Guardian Northwest Title Company
Legal Description (abbreviated): See Legal Description Below
Assessor's Tax Parcel ID#: P62437
Contract Number: 13-94110-012

THIS FIRST AMENDED AND RESTATED DEED OF TRUST (the "Amended and Restated Deed of Trust") is made this 20 day of March, 2020, between Housing Authority of Skagit County, a Washington public body corporate and politic, whose mailing address is 1650 Port Drive, Burlington, WA 98233 as Grantor ("Grantor"); Guardian Northwest Title Company, whose mailing address is 1301 B Riverside Drive, Mount Vernon, WA 98273 as Trustee ("Trustee"); and the Department of Commerce, a department of the State of Washington, or its successor agency, as Beneficiary ("Beneficiary"), whose mailing address is 1011 Plum Street SE, P.O. Box 42525, Olympia, Washington 98504-2525.

This Amended And Restated Deed of Trust modifies that certain Deed of Trust recorded under Skagit County Auditor's Recording Number **201605310075** (the "Deed of Trust") securing payment in the amount of Three Million and 00/100 dollars \$3,000,000.00) payable by the Grantor to the Beneficiary pursuant to HOME Program Contract Number 13-94110-012.

WHEREAS the Beneficiary has reconveyed property that has been subdivided since execution of the original contract, see Skagit County Short Plat #PL17-0217 dated March 21, 2019, to the Grantor, as evidenced by the original Promissory Note (the "Note") of even date;

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree that the Deed of Trust is amended as follows:

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:

LOT A OF SKAGIT COUNTY SHORT PLAT NO. PL17-0217 APPROVED APRIL 29, 2019 AND RECORDED APRIL 29, 2019 AS AUDITOR'S FILE NO 201904290105; SUBJECT TO A NON-EXCLUSIVE TEMPORARY ACCESS EASEMENT IN FAVOR OF LOT B OF SAID SHORT PLAT AS DELINEATED AND DESCRIBED THEREON

SAID SHORT PLAT BEING PORTIONS OF THE NORTHWEST ¼ OF THE SOUTHEAST ¼ AND THE NORTHEAST ¼ OF THE SOUTHWEST ¼ OF SECTION 33, TOWNSHIP 35 NORTH, RANGE 4 EAST, W.M. AND PORTIONS 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

(the "Property").

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 for agricultural or farming purposes.

2. Obligations Secured. This Amended and Restated Deed of Trust is given for the purpose of securing the following:

- (a) Payment in the amount of Three Million dollars and 00/100 (\$3,000,000.00) with interest thereon according to the terms of a Promissory Note dated May 28, 2015 herewith, payable by the Grantor to the Beneficiary, including all renewals, modifications and extensions thereto,
- (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 Amended and Restated Deed of Trust and in the HOME Program Contract Number 13-94110-012 between Grantor and Beneficiary, their successors or assigns, as now or hereafter amended (the "Contract").

3. Lien Priority. This Amended and Restated Deed of Trust shall be in a subordinate lien priority position against the Property unless the parties agree to adjust the priority position by execution and recording or a Priority Agreement or a Subordination Agreement.

4. Protection of Security. To protect the security of this Amended and Restated 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 Amended and Restated 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. Except as otherwise provided herein and in the Contract, 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 Amended and Restated 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 Amended and Restated Deed of Trust.

4.5. To pay all costs, fees and expenses in connection with this Amended and Restated 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 Amended and Restated Deed of Trust.

5. General Conditions. The parties hereto agree that:

5.1. In the event of any fire or other casualty to the Property or eminent domain proceedings resulting in condemnation of the Property or any part thereof, Grantor shall have the right to rebuild the Property, and to use all available insurance or condemnation proceeds therefore, provided that (a) such proceeds are sufficient to keep the loan in balance and rebuild the Property in a manner that provides adequate security to the Beneficiary for repayment of the loan, or if such proceeds are insufficient to provide adequate security or to keep the loan in balance, then Grantor has funded any deficiency. (b) Beneficiary shall have the right to approve plans and specifications for any major rebuilding and the right to approve disbursements of insurance or condemnation proceeds for rebuilding under a construction escrow or similar arrangement, and such approval shall not be unreasonably withheld, and (c) no material default then exists under the Contract, the Note, the Deed of Trust or the Covenant. If the casualty or condemnation affects only part of the Property and total rebuilding is infeasible, then such insurance and/or condemnation proceeds may be used for partial rebuilding and partial repayment of the loan in a manner that provides adequate security to the Beneficiary for repayment of the remaining balance of the loan.

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 Amended and Restated 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 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 Amended and Restated 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 Amended and Restated 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 Amended and Restated 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 Amended and Restated Deed of Trust and by the Deed of Trust Act of the state of Washington is not an exclusive remedy; Beneficiary may cause this Amended and Restated Deed of Trust to be foreclosed as a mortgage.

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

5.8. This Amended and Restated 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 Amended and Restated 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 Amended and Restated 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 Amended and Restated Deed of Trust. If Beneficiary exercises this option, Beneficiary shall give Grantor 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 Amended and Restated 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 Amended and Restated Deed of Trust without further notice or demand on Grantor.

[SIGNATURE AND NOTARY BLOCKS FOLLOW]

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

HOUSING AUTHORITY OF SKAGIT COUNTY,
a Washington public body corporate and politic.

By: _____

Printed Name: MELANIE COREY

Title: EXECUTIVE DIRECTOR

STATE OF WASHINGTON)
) ss.
COUNTY OF SKAGIT)

On this 20th day of March, 2020, before me, the undersigned, a Notary Public in and for the state of Washington, duly commissioned and sworn, Melanie Corey is the person who appeared before me, and said person acknowledged that he/she signed the 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 public body corporate and politic, and acknowledged said instrument to be the free and voluntary act and deed of such corporation, for the uses and purposes mentioned in the instrument.

(Seal or Stamp)

Notary Public
State of Washington
Renee C Sinclair
Commission No. 207424
My Commission Expires 5/1/2023

(Signature of Notary)
RENEE C SINCLAIR
(Legibly Print or Stamp Name of Notary)

NOTARY PUBLIC in and for the state of Washington

My Commission Expires: 5/1/2023