


AFTER RECORDING RETURN TO:

Marjorie M. Johnson
Washington State Housing Finance Commission
1000 Second Avenue, Suite 2700
Seattle, Washington 98104-1046


200108200160
, Skagit County Auditor
8/20/2001 Page 1 of 11 4:07:39PM

TRANSFER AGREEMENT

ISLAND TITLE CO. QB 2124

ACCOMMODATION RECORDING

Ownership Entity: Summer Glen Apartments Limited Partnership, a Washington limited partnership

Transferor: American Housing Partners, Inc., a Washington Corporation, General Partner

Transferee: Prairie SAHP Corp., a Delaware corporation

Legal Description: The NE ¼ of the SW ¼ of Section 16, Township 34 North, Range 4 East, W.M.

Additional legal on page 10 of document

Assessor's Property Tax Parcel/Account Number(s): 340416-3-002-0001, 340416-0-009-0009, 340416-3-018-0008, 340416-0-008-0000

Reference number(s) of documents being assigned or related documents: 9511160003, 9511160002

(Additional on page of document)

Island Title Company has placed
this document for recording as a
customer courtesy and accepts no
liability for its accuracy or validity

GENERAL PARTNER TRANSFER AGREEMENT

Summerglen Apartments OAR #95-44A
Washington State Housing Finance Commission
Low Income Housing Tax Credit Program

THIS TRANSFER AGREEMENT (the "Transfer") is entered into as of August 14th, 2001 by and among the **Washington State Housing Finance Commission** (the "Commission"), a public body corporate and politic; **Summerglen Apartments Limited Partnership**, a Washington limited partnership (the "Partnership"); **American Housing Partners, Inc.**, a Washington corporation and General Partner in the Partnership, (the "Transferor"); and **Prairie SAHP Corp.**, a Delaware corporation, proposed general partner in the Partnership (the "Transferee").

WHEREAS, the Commission and **Summerglen Apartments Limited Partnership**, a Washington limited partnership entered into a Regulatory Agreement which was dated November 1, 1995, and recorded November 16, 1995, in the official public records of Skagit County, Washington, under Auditor's File No. 9511160003 (the "Bond Regulatory Agreement") with respect to a housing facility for low- and moderate-income persons and households to be known as Summerglen Apartments ("Project") on lands located in Mount Vernon, Washington, and described in Exhibit "A" hereto (the "Property").

WHEREAS, the Commission was designated by the Governor of the State of Washington as the sole housing credit agency authorized to allocate the federal low-income housing tax credit (the "Credit") for residential rental buildings located in the state of Washington, in accordance with Section 42 of the Internal Revenue Code of 1986, as amended. The Internal Revenue Code of 1986, as amended shall hereinafter be referred to as the "Code";

WHEREAS, the Commission and the Partnership entered into a Regulatory Agreement (Extended Use Agreement) (the "Agreement") dated November 1, 1995, and recorded November 16, 1996, in Skagit County, Washington under Auditor's File # 9511160002 which is incorporated herein by this reference, wherein the Commission reserved an amount of Credit for allocation to Summerglen Apartments (the "Project") located on the property or properties legally described in Exhibit A, attached hereto and incorporated herein by reference (the "Land") in consideration for an agreement by the Partnership to own and operate the Project as a "qualified low-income housing project" as that term is defined under Section 42 of the Code and comply with the terms, conditions and obligations of the Agreement and the Commission's low-income housing tax credit program (the "Program");

WHEREAS, the Transferor intends to transfer all of its rights, title and interest in the Project including the Land and improvements thereon to the Transferee (as a General Partner for the Partnership) (the "Transaction").



1. The Transferor represents that it is not in default under the terms of the Bond Regulatory Agreement or the Agreement.

2. Subject to the terms hereof, the Commission hereby consents to the Transaciton. This consent is not a waiver of the Commission's right to require its consent with respect to all other or future sales or transfers of the Project.

3. The Transferee hereby assumes and agrees to perform all of the obligations of Transferor under the Bond Regulatory Agreement and the Agreement, and agrees to be bound by all of the covenants, terms and conditions thereof.

4. The Transferor agrees that all of the Transferor's rights under the Agreement are transferred to the Transferee and that the Transferor has no further right to the Credit under such Agreement with respect to the Project.

5. The Partnership will continue to be deemed an "Owner" of the Project and each building which is a part thereof following the Transaction, for purposes of all of the terms, conditions and obligations of the Agreement and any and all ancillary agreements entered into by the Commission and the Transferor in connection with the Project; and the Transferee expressly assumes such obligations and duties of the Transferor and shall perform such terms, conditions and obligations as required by the Agreement, any ancillary agreements entered into between the Commission and the Transferor, the Program and Section 42 of the Code.

6. The Transferee understands and acknowledges that the Commission makes no representation or warranty as to the availability of Credit to the Project, the use of Credit by the Transferee or any other party, or the compliance of the Project with the Code, the Commission's Program or the terms, conditions or obligations of the Agreement.

7. This Transfer supersedes and modifies any previous changes, amendments or modifications of the Agreement with respect to the matters contained herein. The terms, conditions and obligations contained in the Agreement and any and all ancillary agreements entered into by the Commission and Transferor in connection with the Project, shall remain in full force and effect except as modified herein.



8. In consenting to this Transfer, the Commission has relied solely upon information provided and representations made by the Transferor and the Transferee, or their designees in connection with this Transfer, and the Commission's consent does not in any way constitute a representation, warranty, guaranty, advice or suggestion by the Commission as to the qualification of any building for the Credit, or the feasibility or viability of the Project, and may not be relied on as such by any owner, developer, investor, tenant, lender, or other person, for any reason.

9. The Transferee hereby acknowledges and agrees that the Commission's consent is conditioned upon the Transferee's compliance with the Agreement and the Bond Regulatory Agreement and any terms, conditions or obligations contained in any related documents or agreements.

10. The Transferee and each building in the Project will continue to comply with all representations made by the Transferor in the Low-Income Housing Tax Credit Application and Official Action Resolution Application (the "Application"), incorporated herein by this reference, as modified by any subsequent written material submitted by the Transferor which was approved by the Commission.

11. Following the Transaction the Partnership shall ensure that each building in the Project continues to qualify for the Credit and the Transferee further agrees that it is responsible for all calculations and determinations as to the amount of Credit available as a result of its ownership of the Project. Following the Transaction the Partnership acknowledges and agrees it is responsible for any loss and recapture of Credit with respect to any building, which loss and recapture shall be determined under the Code as it applies to any building, the Transferee, or any taxpayer, whether due to noncompliant use of any building, transfer of any building, termination or ineffectiveness of an allocation of Credit to the Project or any building which is a part thereof and/or this Transfer, execution, delivery or recording of documents related to such termination or otherwise. The Transferee agrees that the Commission is not responsible for any such matters relating to allocation of the Credit to the Project, apportionment of the Credit to any building, nor for any Credit loss or recapture.

12. The Transferor and Transferee acknowledge that they have been advised to consult with their own legal counsel and tax advisors in connection with this Transfer, their participation in the Program, whether this Project qualifies for Credit, whether Credit may be utilized by the Transferee or any investor, and with regard to the financial feasibility and viability of any building in the Project.



13. The Transferor and Transferee jointly and severally agree to at all times indemnify and hold harmless the Commission, including any member, officer, employee, agent or representative thereof (the "Indemnified Parties") from and against any and all claims, suits, losses, costs, damages, expenses and liabilities of whatsoever nature or kind (including, but not limited to attorneys' fees, litigation and court costs, amounts paid in settlement, amounts paid to discharge judgment, and any disallowance of tax benefits) directly or indirectly resulting from, arising out of, or related to: (i) the participation of any person in the Program in connection with the Project; (ii) any allocation of Credit or modification or amendment thereto with respect to the Project; (iii) the financing, acquisition, construction and/or rehabilitation, management or operation of such Project; (iv) the Commission's acting as a party to this Transfer; (v) the effectiveness of any allocation of Credit to the Project or any building which is a part thereof; and/or (vi) any enforcement of the Agreement, this Transfer, and/or any ancillary documents or agreements. An Indemnified Party may, in its sole discretion, monitor and/or participate in the defense of any such claim or suit and may select any law firm to do so. This may include any level of participation, including complete control, desired by the Indemnified Party. The Transferor and Transferee will promptly reimburse the Indemnified Party for all attorneys' fees, litigation and court costs, amounts paid in settlement and other such sums as described above which are incurred by the Indemnified Party. The Transferor and Transferee waive any right to bring legal action, on their own behalf or on behalf of any other party, against the Commission as to any matter for which the Transferor and/or Transferee agree to indemnify and hold harmless the Commission. The Transferor and Transferee agree that the obligations contained in this paragraph are joint and several obligations and shall survive the termination of this Transfer or their interest in the Project.

14. The Commission consents to the Transaction and the transfer of the remaining amount of Credit available to the Project, subject to the terms, conditions and obligations of the Agreement as amended by this Transfer and the Transferee's compliance with the Program and Section 42 of the Code.

15. The Transferee acknowledges and agrees that in the event of a default of the terms, conditions and obligations assumed herein, the Commission, its successors, designees or assigns shall be entitled, individually and collectively, to bring an action or suit for specific performance, injunctive relief, damages or any other remedy available in law or equity in any court of competent jurisdiction in the State of Washington.

16. The Commission and Transferee may amend this Transfer only by written agreement signed by both parties. The Transferee acknowledges that this Transfer is subject to the policies and procedures of the Commission.



17. The Transferor and Transferee warrant that neither has executed nor will execute any other agreement with provisions contrary to, or in opposition to, the provisions hereof, and that in any event this Transfer is controlling as to the rights and obligations herein set forth and supersedes any other conflicting requirements.

18. No action or failure to take action on the part of the Commission pursuant to this Transfer or any and all ancillary agreements entered into in connection with this Project, the obligations of which have been expressly assumed by the Transferee herein, including without limitation, any investigation or failure to investigate by or on behalf of the Commission shall constitute a waiver by the Commission of the Transferor or Transferee compliance with the terms, conditions and obligations contained herein or assumed hereby. No waiver, modification or change of this Transfer shall be binding unless in writing and signed by the Commission. A waiver of a breach of any term, condition or obligation shall not operate or be construed as a waiver of any subsequent breach.

19. If any term or provisions of this Transfer or the application thereof to any person or circumstances shall to any extent be invalid or unenforceable, the remainder of this Transfer or the application of such term or provision to persons or circumstances other than those to which it is held invalid or unenforceable, shall not be affected hereby. Each and every term of this Transfer shall be valid and enforceable to the fullest extent possible.

20. The Transferee agrees to execute any and all documents and writings which may be necessary or expedient and to do other acts as will further the purposes hereof.

21. In the event any controversy or claim arises under this Transfer, the prevailing party shall be entitled to its reasonable costs, disbursements and attorney fees together with all expenses which it may reasonably incur, including but not limited to, costs incurred in searching records, expert witness and consultant fees, discovery depositions whether or not introduced into evidence in the trial, hearing or other proceeding and travel expenses in any arbitration, trial or other proceeding, including any proceeding brought to enforce an award or judgment, and any and all appeals taken therefrom.

22. This Transfer shall be governed by the laws of the State of Washington.

23. Transferor agrees to provide the Transferee with the files, information, and data necessary to comply with the reporting requirements of the Bond Regulatory Agreement and the Agreement.



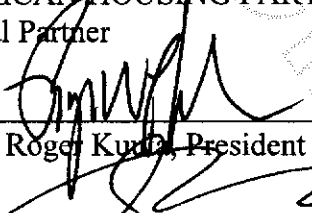
24. This Agreement may be executed in several counterparts, and as executed shall constitute one instrument, binding on all the parties hereto, notwithstanding that all parties are not signatory to the original or the same counterpart.

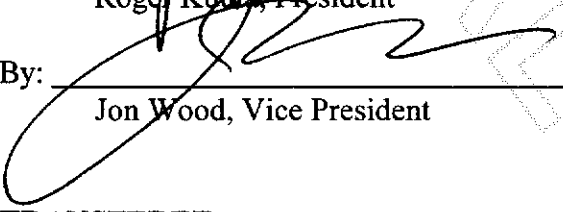
This Transfer shall be effective on the date of its execution by a duly authorized representative of the Commission.

IN WITNESS WHEREOF, the parties have caused this Transfer to be signed by their respective, duly authorized representatives.

TRANSFEROR:

AMERICAN HOUSING PARTNERS, INC., a Washington corporation
General Partner

By: 
Roger Kuroda, President

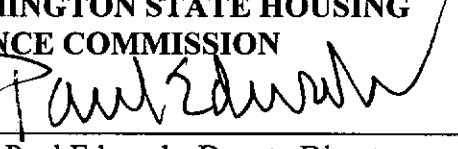
By: 
Jon Wood, Vice President

TRANSFeree:

PRAIRIE SAHP CORP., a Delaware corporation

By: 

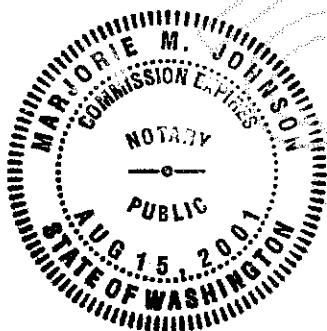
WASHINGTON STATE HOUSING
FINANCE COMMISSION

By: 
Paul Edwards, Deputy Director



STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this 13th day of August, 2001, before me, the undersigned Notary Public, duly commissioned and qualified in and for the said State and County, personally came and appeared **Paul Edwards, Deputy Director** of the Washington State Housing Finance Commission, a public body corporate and politic, and acknowledged to me that the foregoing instrument was signed by him on behalf of said Commission, and that he acknowledged the foregoing instrument to be the free act and deed of the Commission.

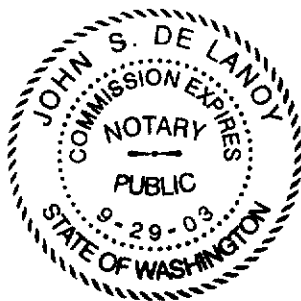


Marjorie M. Johnson
Print Name: Marjorie M. Johnson
NOTARY PUBLIC in and for the State of
Washington, residing at Federal Way
My commission expires August 15, 2001

STATE OF WA)
) ss.
COUNTY OF KING)

On this 14th day of August, 2001, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared ROGER KUULA, PRES., to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged to me that he/she signed the said instrument as his/her free and voluntary act and deed for the uses and purposes therein mentioned.

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



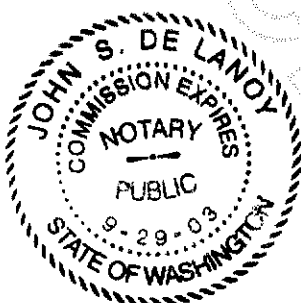
John DeLano
Print Name: JOHN DELANO
NOTARY PUBLIC in and for the State of WA
residing at SEATTLE
My commission expires 9-29-03



STATE OF LA)
) ss.
COUNTY OF KING)

On this 14th day of AUGUST, 2001, before me, the undersigned, a Notary Public in and for the State of Washington duly commissioned and sworn, personally appeared Jon Wood, Vice Pres., to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged to me that he/she signed the said instrument as his/her free and voluntary act and deed for the uses and purposes therein mentioned.

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

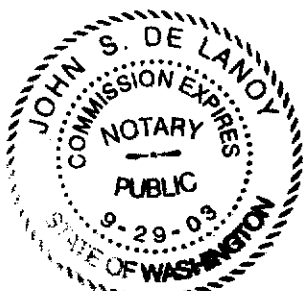


[Signature]
Print Name: John De Lanoy
NOTARY PUBLIC in and for the State of LA, residing at SEATTLE
My commission expires 9-29-03

STATE OF LA)
) ss.
COUNTY OF KING)

On this 14th day of AUGUST, 2001, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared JOSEPH DEGAETANO, to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged to me that he/she signed the said instrument as his/her free and voluntary act and deed for the uses and purposes therein mentioned.

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



[Signature]
Print Name: JOHN DE LANOY
NOTARY PUBLIC in and for the State of LA, residing at SEATTLE
My commission expires 9-29-03



Exhibit A

PARCEL A

The Northeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 16, Township 34 North, Range 4 East, W.M., EXCEPT the North 40 feet for road rights-of-way and EXCEPT the following described portions, to-wit:

- (a) Beginning at the center of said Section; thence West on the East and West $\frac{1}{4}$ Section line, 1075.00 feet; thence South, 512 feet; thence East, 85 feet; thence South to the South line of said Northeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$; thence East to the Southeast corner of said Northeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$; thence North to the point of beginning.
- (b) The South 50 feet conveyed to Clear Lake Lumber Company.
- (c) That certain strip of land along the West line thereof conveyed to the City of Mount Vernon for 26th Street, by Deed recorded April 26, 1978, under Auditor's File No. 878267.

EXCEPT from all of the above the South 50 feet as conveyed to the City of Mount Vernon by Deed recorded under Auditor's File No. 9306090039.

PARCEL B

That portion of the Northeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 16, Township 34 North, Range 4 East, W.M., described as follows:

Beginning at the center of said section; thence West, 50 rods (825 feet) to the true point of beginning; thence West, 10 rods (165) feet; thence South, 1270 feet, more or less, to the North line of the abandoned Puget Sound and Cascade Railway Company Railway right-of-way, as conveyed by Deed recorded December 27, 1915, under Auditor's File No. 111272, records of Skagit County, Washington; thence East along the North line of said right-of-way 10 rods (165 feet) to a point that is 50 rods (825 feet) West of the center of said section; thence North 1270 feet, more or less, to the true point of beginning, EXCEPT Clearlake Road (College Way) running along the North line thereof.



PARCEL C

That portion of the Northeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 16, Township 34 North, Range 4 East, W.M., described as follows:

Beginning at a point on the North line of said subdivision, 990 feet West of the Northeast corner thereof; thence West, 85 feet; thence South, 512 feet; thence East, 85 feet; thence North to the point of beginning, EXCEPT the North 40 feet thereof for road purposes, a portion which was conveyed to the City of Mount Vernon by Deed recorded under Auditor's File No. 8306270029, Records of Skagit County, Washington.

