

AFTER RECORDING RETURN TO:

Jack W. Beeching
Washington State Housing
Finance Commission
421 W. Riverside Avenue, Suite 661
Spokane, Washington 99201



200701080175
Skagit County Auditor

1/8/2007 Page 1 of 19 11:45AM

CHICAGO TITLE COMPANY
IC40501

TRANSFER AGREEMENT

Purpose: Document is being recorded to maintain the terms of the affordable housing use agreement between the entities involved and the Housing Finance Commission.

Transferor: Summerglen Apartments Limited Partnership, a Washington limited partnership

Transferee:

Summerglen One, LLC, a Washington Limited Liability Company	43.40%
Summerglen Two, LLC, a Washington Limited Liability Company	34.50%
Bali Palm Investment Group, LLC, an Arizona Limited Liability Company	15.05%
Tram Fam, LLC, an Arizona Limited Liability Company	7.05%

Legal Description:

The NE $\frac{1}{4}$ of the SW $\frac{1}{4}$ of Section 16, Township 34 North, Range 4 East, W.M

Additional legal description on page 14 and 15 of document.

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

340416-3-002-0001, 340416-0-009-0009, 340416-3-018-0008, and 340416-0-008-0000

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

9511160002, 9511160003, 9703250070, 201108200160, 200306020214, 9511160003, 200108200160, and 200306020214

TRANSFEROR:

Summerglen Apartments LP, SUBGP, an Oregon Limited Liability Company

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 December __, 2006 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 "Transferor"), and **Summerglen One, LLC**, a Washington Limited Liability Company -43.40%; **Summerglen Two, LLC**, a Washington Limited Liability Company-34.50%; **Bali Palm Investment Group, LLC**, an Arizona Limited Liability Company-15.05%and **Tram Fam , LLC**, an Arizona Limited Liability Company-7.05% (the "Transferee").

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) dated November 1, 1995, and recorded November 16, 1995 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 Commission and American Housing Partners, Incorporated, a Washington Corporation, entered into a Transfer Agreement dated August 14, 2001, and recorded August 20, 2001, in Skagit County, Washington under Auditor's File # 200108200160 which is incorporated herein by this reference, wherein the Commission transferred all the terms, conditions, and obligations of the Agreement to **Prairie SAHP Corporation**, a Delaware Corporation

WHEREAS, the Commission and the Transferor entered into a Transfer Agreement dated May 1, 2003, and recorded in Skagit County, Washington on June 2, 2003, under Auditor's File Number 200306020214, in which **Prairie SAHP Corp**, a Delaware corporation (as "Transferor"), transferred the property to **SUBGP, LLC**, an Oregon limited liability company(as "Transferee").



WHEREAS, the Transferor intends to transfer all of its rights, title and interest in the Project including Land and improvements thereon to the Transferee (the "Transaction"), and the Transferee shall own each building in the Project for which a credit allocation was made.

1. 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.
2. Effective as of the date the Transferee takes title to the Project (the "Transfer Date") the Transferee agrees to be deemed an "Owner" of the Project and each building which is a part thereof, 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 and shall perform effective as of the Transfer Date such terms, conditions and obligations arising from and after the Transfer Date as required by the Agreement, any ancillary agreements entered into between the Commission and the Transferor, the Program and Section 42 of the Code.
3. 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.
4. 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.
5. 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.
6. The Transferee hereby acknowledges and agrees that the Commission's consent is conditioned upon the Transferee's compliance with the Agreement and any terms, conditions or obligations arising from and after the Transfer Date contained in the Agreement and any related documents or agreements.



7. 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.
8. The Transferee 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. The Transferee acknowledges and agrees it is responsible for any loss and recapture of any post-Transfer Date 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 post-Transfer Date 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.
9. 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.
10. Solely to meet the safe harbor requirements of IRS Revenue Procedure 2005-37 and as a clarification of requirements already contained in the Agreement, the following language is hereby added to the Agreement: During the Compliance Period and Extended Use Period, (i) no tenant of a Low-Income Housing Unit may be evicted, and (ii) the owner may not refuse to renew a rental agreement, other than for Good Cause and each rental agreement shall so provide. Further, in addition to any other rights and remedies provided hereunder, any individual who meets the income limitation for a Low-Income Unit (whether a prospective, present or former occupant of the Building) shall have the right to enforce in any State court, the requirements of this Section. Good Cause is defined to mean (A) serious or repeated violation of the material term of the lease as that phrase is applied with respect to federal public housing at 24 C.F.R. Section 966.4(l)(2) or (B) failure or refusal to vacate the premises when there is a defective condition or damage that is so substantial that it is economically infeasible to remedy the defect with the tenant in possession.
11. 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.

12. The Commission consents to the transfer of Project ownership 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.
13. 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.
14. 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.
15. 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.



16. 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.
17. 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.
18. 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.
19. 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.
20. This Transfer shall be governed by the laws of the State of Washington.
21. Transferor agrees to provide the Transferee with the files, information, and data necessary to comply with the reporting requirements of the Regulatory Agreement.
22. 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.
23. 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:

Summerglen Apartments Limited Partnership, a Washington limited partnership

By: SUBCP, LLC, an Oregon limited liability company, its general partner

By: [Signature]

Name: Thomas B. Branneke

Title: member

TRANSFeree:

Summerglen One, LLC, a Washington Limited Liability Company

By: Darrel Dickson

Its: Managing Member

Summerglen Two, LLC, a Washington Limited Liability Company

By: Meadows Funding Group, LLC (member)

By: Darrel Dickson

Its: Managing Member

By: Kulbushan Gupta

Its: Managing Member

Bali Palm Investment Group, LLC, an Arizona Limited Liability Company

By: Darrel Dickson

Its: Managing Member

By: Kulbushan Gupta

Its: Managing Member



200701080175

Skagit County Auditor

TRANSFEROR:

Summerglen Apartments Limited Partnership, a Washington limited partnership

By: SUBGP, LLC, an Oregon limited liability company, its general partner

By: _____
Name: _____
Title: _____

TRANSFeree:

Summerglen One, LLC, a Washington Limited Liability Company

Darrel Dickson

By: **Darrel Dickson**
Its: **Managing Member**

Summerglen Two, LLC, a Washington Limited Liability Company
By: Meadows Funding Group, LLC (member)

Darrel Dickson

By: **Darrel Dickson**
Its: **Managing Member**

By: **Kulbushan Gupta**
Its: **Managing Member**

Bali Palm Investment Group, LLC, an Arizona Limited Liability Company

Darrel Dickson

By: **Darrel Dickson**
Its: **Managing Member**

By: **Kulbushan Gupta**
Its: **Managing Member**



200701080175

Skagit County Auditor

TRANSFEROR:

Summerglen Apartments Limited Partnership, a Washington limited partnership

By: SUBGP, LLC, an Oregon limited liability company, its general partner

By: _____
Name: _____
Title: _____

TRANSFeree:

Summerglen One, LLC, a Washington Limited Liability Company

By: Darrel Dickson
Its: Managing Member

Summerglen Two, LLC, a Washington Limited Liability Company
By: Meadows Funding Group, LLC (member)

By: Darrel Dickson
Its: Managing Member

By: Kulbushan Gupta
Its: Managing Member

Bali Palm Investment Group, LLC, an Arizona Limited Liability Company

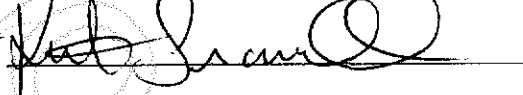
By: Darrel Dickson
Its: Managing Member

By: Kulbushan Gupta
Its: Managing Member



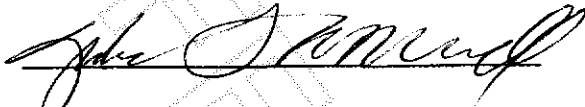
200701080175
Skagit County Auditor

Tram Fam, LLC, an Arizona Limited Liability Company



By: Kirk Trammell

Its: Member

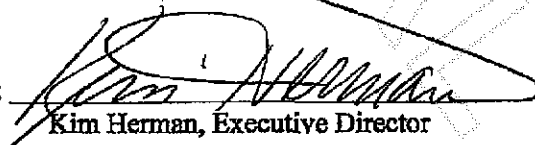


By: Julie Trammell

Its: Member

COMMISSION:

**Washington State Housing
Finance Commission**

By: 
Kim Herman, Executive Director



Tram Fam, LLC, an Arizona Limited Liability Company

By: Kirk Trammell

Its: Member

By: Julie Trammell

Its: Member

COMMISSION:

**Washington State Housing
Finance Commission**

By: 

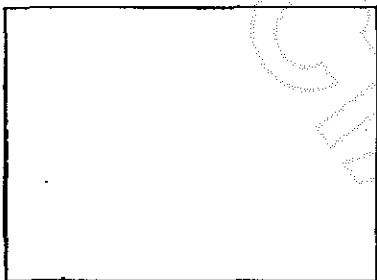
Kim Herman, Executive Director



STATE OF Oregon)
COUNTY OF Multnomah) ss.

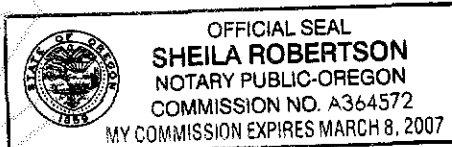
I certify that I know or have satisfactory evidence that
Thomas B. Bienneke is the person who appeared before me, and said person
acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute
the instrument and acknowledged it as the General partner of
SUBGP LLC to be the free and voluntary act of
such party for the uses and purposes mentioned in the instrument.

Dated: 1/2/07



(Use this space for notarial stamp/seal)

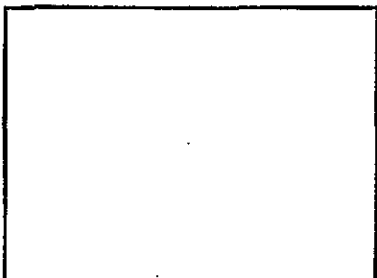
Sheila Robertson
Notary Public
Print Name Sheila Robertson
My commission expires March 8, 2007



STATE OF _____)
COUNTY OF _____) ss.

I certify that I know or have satisfactory evidence that
_____ 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 _____ of
_____ to be the free and voluntary act of
such party for the uses and purposes mentioned in the instrument.

Dated: _____



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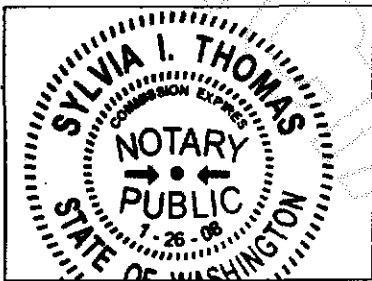
Notary Public
Print Name _____
My commission expires _____



STATE OF Washington)
) ss.
COUNTY OF Pierce)

I certify that I know or have satisfactory evidence that
Darrel Dickson 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 Managing Member of
Summerglen One LLC to be the free and voluntary act of
such party for the uses and purposes mentioned in the instrument.

Dated: January 3, 2007



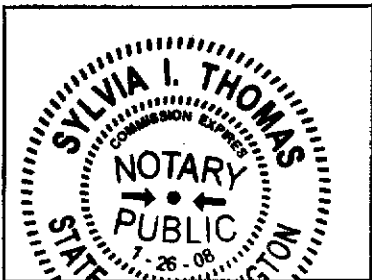
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Sylvia I. Thomas
Notary Public
Print Name Sylvia I. Thomas
My commission expires January 26, 2008

STATE OF Washington)
) ss.
COUNTY OF Pierce)

I certify that I know or have satisfactory evidence that
Darrel Dickson 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 Managing Member of
Summerglen Two LLC to be the free and voluntary act of
such party for the uses and purposes mentioned in the instrument.

Dated: January 3, 2007



(Use this space for notarial stamp/seal)

Sylvia I. Thomas
Notary Public
Print Name Sylvia I. Thomas
My commission expires January 26, 2008

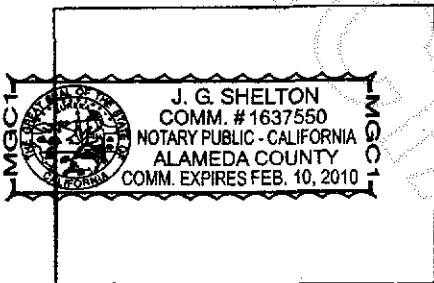


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STATE OF CA)
COUNTY OF Alameda) ss.

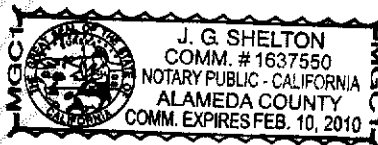
I certify that I know or have satisfactory evidence that
Kulbushan Gupta is the person who appeared before me, and said person
acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute
the instrument and acknowledged it as the Managing Member of
Bali Palm Investment Group to be the free and voluntary act of
such party for the uses and purposes mentioned in the instrument.

Dated: January 3rd, 2007



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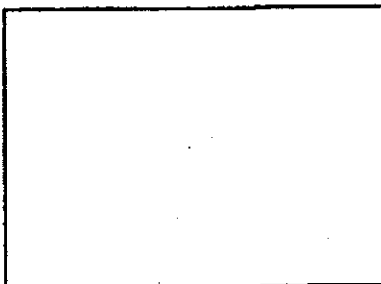
Notary Public
Print Name JG Shelton
My commission expires Feb 10, 2010



STATE OF _____)
COUNTY OF _____) ss.

I certify that I know or have satisfactory evidence that
_____ 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 _____ of
_____ to be the free and voluntary act of
such party for the uses and purposes mentioned in the instrument.

Dated: _____



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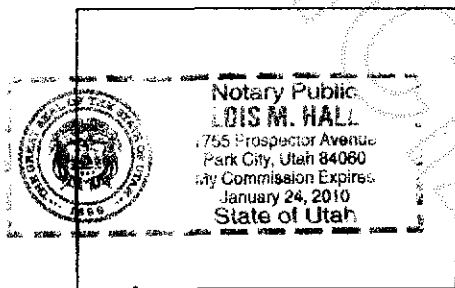
Notary Public
Print Name _____
My commission expires _____



STATE OF Utah)
COUNTY OF Summit) ss.

I certify that I know or have satisfactory evidence that
Vick Trammell 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 member of
Tram Fam LLC to be the free and voluntary act of
such party for the uses and purposes mentioned in the instrument.

Dated: 1-3-07



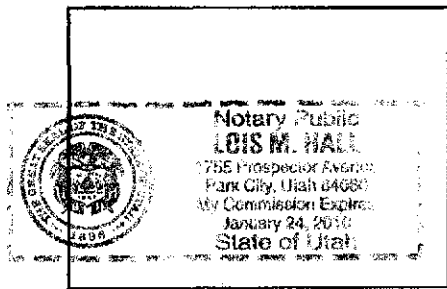
(Use this space for notarial stamp/seal)

Notary Public [Signature]
Print Name _____
My commission expires _____

STATE OF Utah)
COUNTY OF Summit) ss.

I certify that I know or have satisfactory evidence that
Vick Trammell 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 member of
Tram Fam LLC to be the free and voluntary act of
such party for the uses and purposes mentioned in the instrument.

Dated: 1-3-07



(Use this space for notarial stamp/seal)

Notary Public [Signature]
Print Name _____
My commission expires _____



STATE OF Washington)
) ss.
COUNTY OF Pierce)

I certify that I know or have satisfactory evidence that
Darrel Dickson 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 Managing Member of
Bali Plam Investment Group, LLC to be the free and voluntary act of
such party for the uses and purposes mentioned in the instrument.

Dated: January 3, 2007



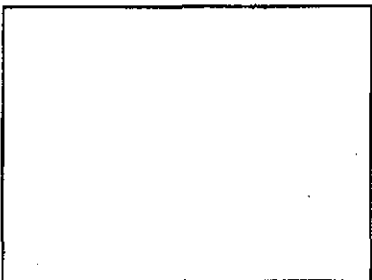
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Sylvia I. Thomas
Notary Public
Print Name Sylvia I. Thomas
My commission expires 1/26/08

STATE OF _____)
) ss.
COUNTY OF _____)

I certify that I know or have satisfactory evidence that
_____ 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 _____ of
_____ to be the free and voluntary act of
such party for the uses and purposes mentioned in the instrument.

Dated: _____



(Use this space for notarial stamp/seal)

Notary Public
Print Name _____
My commission expires _____



UNOFFICIAL DOCUMENT



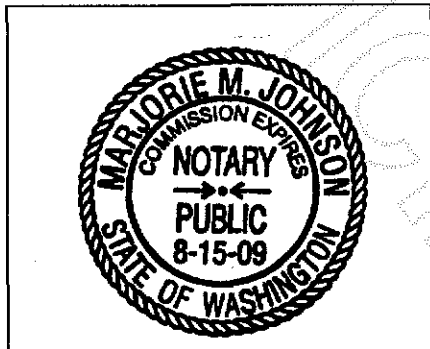
STATE OF WASHINGTON)

) ss.

COUNTY OF KING)

I certify that I know or have satisfactory evidence that Kim Herman 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 Executive Director of the Washington State Housing Finance Commission to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: 12/20/06



(Use this space for notarial stamp/seal)

Marjorie M. Johnson
Notary Public

Print Name

My commission expires

MARJORIE M JOHNSON
8-15-09



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 the 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 ~~169~~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

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 record under Auditor's File No. 8306270029, Records of Skagit County, Washington.

