

When Recorded Return to:

Washington State Department of Community,
Trade and Economic Development
Housing Trust Fund
P.O. Box 42525
Olympia, WA 98504-2525



200809300085
Skagit County Auditor

9/30/2008 Page 1 of 7 2:09PM

Attention: Donna Johnston, (360) 725-2928

ASSIGNMENT, ASSUMPTION, RELEASE AND CONSENT AGREEMENT

45521E-2

Grantor (Assignor): Youthnet GUARDIAN NORTHWEST TITLE CO.
Grantee (Assignee): Skagit Valley Family YMCA
Beneficiary (Lender): Department of Community, Trade and Economic Development
Legal Description (abbreviated): VERNON HEIGHTS TO MT VERNON LT 16 LESS S 2FT
OF N1/2 & ALL 17 18 19 & 20 BLK 20
Assessor's Property Tax Parcel Number(s): 3763-020-020-0005
Contract Number: 5-94-491-19A
Recording Number of Documents Assigned: 9407280099 Deed of Trust
9407280100 Low Income Housing Covenant Agreement

THIS ASSIGNMENT, ASSUMPTION, RELEASE AND CONSENT AGREEMENT ("Assumption Agreement") is entered into as of this 5th day of September 2008, by and among Youthnet (formerly Skagit Youth Services), a Washington non-profit corporation, with its principal offices at Post Office Box 217, Mount Vernon, Washington 98273, (hereinafter called "Assignor"), Skagit Valley Family YMCA, a Washington non-profit corporation, with its principal offices at 215 East Fulton Street, Mount Vernon, Washington 98273 (hereinafter called "Assignee"), and Department of Community, Trade and Economic Development, or its successor agency, as Beneficiary ("Beneficiary"), whose address is 906 Columbia Street, S.W., P.O. Box 42525, Olympia, Washington 98504-2525 (hereinafter called "Lender").

WHEREAS, Assignor and Lender are parties to that certain Housing Trust Fund Contract Number 5-94-491-19A, dated June 27, 1994, whereby Lender agreed to loan Assignor Two Hundred Fifty Thousand Dollars (\$250,000.00) (the "Contract") to acquire and rehabilitate a nine (9) bedroom single-family house for twelve (12) homeless youth with incomes at or below thirty percent (30%) of the median income for Mt. Vernon-Anacortes, WA MSA; and

WHEREAS, Assignor executed a Promissory Note (the "Note") dated July 20, 1994, to pay Lender or the holder of the Note the principal sum of Two Hundred Fifty Thousand Dollars (\$250,000.00) and the remaining principal balance on such Note at the time of this Agreement is \$211,933.62; and

WHEREAS a Deed of Trust (the "Deed of Trust") dated July 20, 1994 was recorded under Skagit County Auditor's Number 9407280099 and concerned real property located in Skagit County, Washington described as follows:

THE NORTH 1/2 OF LOT 16, EXCEPT THE SOUTH 2 FEET THEREOF, AND ALL OF LOTS 17, 18, 19 AND 20, BLOCK 20, "VERNON HEIGHTS ADDITION TO MT. VERNON, SKAGIT CO., WASH.", AS PER PLAT RECORDED IN VOLUME 2 OF PLATS, PAGE 108, RECORDS OF SKAGIT COUNTY, WASHINGTON.

SITUATE IN THE CITY OF MOUNT VERNON, COUNTY OF SKAGIT, STATE OF WASHINGTON

WHEREAS a Low Income Housing Covenant Agreement (the "Covenant") dated July 20, 1994 was recorded under Skagit County Auditor's Number 9407280100 to restrict the use of the property for the term of commitment and concerned the real property described above; and

WHEREAS, Assignor and Lender are parties to a First Contract Amendment dated May 16, 1996 which increased the loan amount by Thirty-Six Thousand Nine Hundred One Dollars (\$36,901.00), bringing the total dollar amount of the Contract to Two Hundred Eighty-Six Thousand Nine Hundred One Dollars (\$286,901.00) and increased the annual payment to \$5,611.00 beginning January 1, 1997; and

WHEREAS, Assignor and Lender are parties to a Second Contract Amendment dated March 11, 2005 which changed the annual payment due date from January 1 to February 1; and

WHEREAS, Assignor wishes to assign to Assignee and to have Assignee assume all of Assignor's rights and obligations including the Contract, Note, Deed of Trust and the Covenant and Assignee is willing to assume all of said obligations of Assignor thereunder; and

WHEREAS, Assignor seeks the consent of Lender to the assignment and assumption of the obligations set forth in the Contract, Note, Deed of Trust and the Covenant and Lender is willing to grant such consent;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Assignment. Assignor hereby sells, transfers, assigns, grants, and conveys to Assignee all of its right, title, obligations and interest existing, as of this date in and under the Contract, Note, Deed of Trust and the Covenant.

2. Assumption. Assignee further assumes all other obligations of Assignor under the Contract, Note, Deed of Trust and the Covenant arising from and after the date hereof, subject to the nonrecourse provisions therein. Assignee hereby expressly assumes and agrees to perform, observe and confirm all the covenants, agreements, terms, conditions, obligations, duties and liabilities of Assignor under the Contract, Note, Deed of Trust and the Covenant and any other documents or instruments executed and delivered or furnished by Assignor in connection therewith arising from and after the date hereof.

3. Consent. Lender hereby consents to the foregoing assignment and assumption of the obligation of the Contract, Note, Deed of Trust and the Covenant pursuant to the terms and conditions set forth herein.



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4. Release. The parties to this Assumption Agreement, being fully advised and informed, hereby consent to this assignment and understand that it shall constitute a novation, substituting Skagit Valley Family YMCA as the responsible party assuming the obligations under the Contract, Note, Deed of Trust and the Covenant and releasing Assignor from all obligations under the Contract, Note, Deed of Trust and the Covenant.

The effective date of this Assumption Agreement shall be the date the parties sign and complete the execution of this document.

5. Representations and Warranties of Assignee. In order to induce Lender to consent to the assignment and assumption provided for herein, Assignee hereby represents to Lender that:

- (a) Assignee is a Washington non-profit corporation duly organized and validly existing under the laws of the State of Washington.
- (b) Assignee has the full right, power and authority to conduct all of the activities which are now conducted by it or proposed to be conducted as contemplated by the Contract, Note, Deed of Trust and the Covenant.
- (c) There is no action, suit or proceeding or any investigation pending or, to the best of Assignee's knowledge, threatened against or affecting Assignee or in equity in any court or by any federal, state, municipal or other governmental authority, department, commission, board, agency or other governmental instrumentality which is likely to have an adverse effect on Assignee's ability to assume the obligations and to fulfill the duties of Assignor under the Contract, Note, Deed of Trust and the Covenant.
- (d) To Assignee's knowledge, Assignee is not in material default or alleged to be in material default with respect to any judgment, order, writ, injunction or decree or in breach or alleged to be in material breach or default under any material lease, contract, agreement, commitment, instrument or obligation to which it is a party or by which it or its property is bound; and to the best of Assignee's knowledge, there is no state of facts which is likely to create or cause a material default or breach under any such material lease, contract, agreement, commitment, instrument or obligation.
- (e) To the best of Assignee's knowledge and belief, Assignee has complied in all material respects with all federal, state and local laws, regulations and orders applicable to the ownership of its properties and the conduct of its operations.
- (f) To the best of Assignee's knowledge and belief, Assignee has taken all action necessary to authorize the execution and delivery of this Assumption Agreement, and this Assumption Agreement is a valid and binding obligation of Assignee, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other law and equity principles applied for the relief of debtors heretofore or hereafter enacted, to the extent that the same may be constitutionally applied. To the best of Assignee's knowledge and belief, neither the execution and delivery of this Assumption Agreement nor the consummation of the transactions contemplated hereby will constitute a violation or breach of any provision of any contract or other instrument to which Assignee is a party or by which property is bound, or any constitutional provision, statute or ordinance, or any order, writ, injunction, decree, rule or regulation of any court or regulatory agency. No consent, order, authorization or other approval of any governmental body or agency is required in order for Assignee to execute, deliver and perform its obligations under this Assumption Agreement.



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6. Representations and Warranties of Assignor. In order to induce Lender to consent to the assignment and assumption provided for herein, Assignor hereby represents to Lender that the representations and warranties of Assignor in the Contract, Note, Deed of Trust and the Covenant are true and correct in all material respects as of the date hereof.

7. Further Assurances. At any time and from time to time, upon Lender's request, Assignee will promptly and duly execute and deliver any and all further instruments and documents and take such further action as Lender may deem reasonable to effect the purposes of this Agreement, including (without limitation) the filing of any financing or continuation statements under the Uniform Commercial Code in effect in any jurisdiction in order to place on the public records notice of the effect of this Assumption Agreement.

8. Survival of Representation and Warranties. All representations and warranties made in this Assumption Agreement and in any document, certificate or statement delivered by Assignee in connection herewith shall survive the execution and delivery of this Assumption Agreement.

9. Successors and Assigns. This Assumption Agreement shall be binding upon Assignee and its successors and assigns and shall inure to the benefit of Lender and its successors and assigns; provided, however that Assignee shall not have the right to assign any of its obligations or rights hereunder, except as expressly provided herein, without the prior written consent of Lender.

10. Governing Law. This Assumption Agreement shall be governed by and construed and interpreted in accordance with, the laws of the State of Washington.

SIGNATURE BLOCKS LOCATED ON PAGE 5



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IN WITNESS WHEREOF, the undersigned have caused this Assumption Agreement to be duly executed and delivered by their duly authorized representatives on the day and year first above written.

ASSIGNOR:

Youthnet (formerly Skagit Youth Services), a
Washington non-profit corporation

By: Bill Lupivacci

Print name: Bill Lupivacci

Title: Board President

ASSIGNEE:

Skagit Valley Family YMCA, a Washington non-
profit corporation

By: Robert W. Strum

Print Name: Robert W. Strum

Title: C.E.O.

LENDER:

Department of Community, Trade, and Economic
Development

By: Will Graham

Print Name: Will Graham

Title: Assistant Director for Housing

Date: 9/11/08

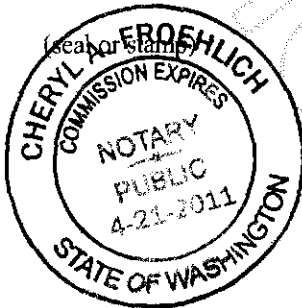


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STATE OF WASHINGTON)
) ss.
COUNTY OF SKAGIT)

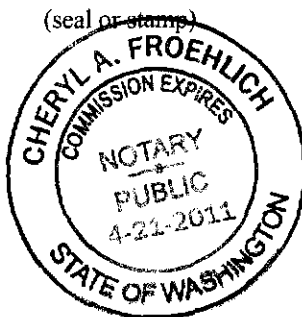
I certify that I know or have satisfactory evidence that Bill Lupinacci is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the Board President of Youthnet (formerly Skagit Youth Services), a Washington non-profit corporation, to be the free and voluntary act and deed of such non-profit corporation for the uses and purposes mentioned in the instrument.



Date: 9-10-08
[Signature]
Notary Public in and for the State of Washington,
residing at Burlington
My commission expires 4-21-11

STATE OF WASHINGTON)
) ss.
COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that Robert A. Shrumm 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 CEO of Skagit Valley Family YMCA, a Washington non-profit corporation, to be the free and voluntary act and deed of such non-profit corporation for the uses and purposes mentioned in the instrument.



Date: 9-10-08
[Signature]
Notary Public in and for the State of Washington,
residing at Burlington
My commission expires 4-21-11



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STATE OF WASHINGTON)
) ss.
COUNTY OF THURSTON)

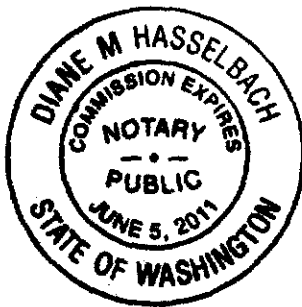
On this 11TH day of SEPTEMBER, 2008, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Will Graham, to me known to be the Assistant Director for Housing of the Department of Community, Trade and Economic Development, that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said department, for the uses and purposes therein mentioned, and on oath state that he was authorized to execute the said instrument.

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

(seal or stamp)

Diane M. Hasselbach
Notary Public in and for the State of Washington,
residing at THURSTON COUNTY

My commission expires 6/5/2011



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