



201110260071

Skagit County Auditor

10/26/2011 Page 1 of 7 2:36PM

When Recorded Return to:

Washington State Department of Commerce
HOME Program
1011 Plum Street SE
P.O. Box 42525
Olympia, Washington 98504-2525

Attention: Donna Johnston

ASSIGNMENT, ASSUMPTION, RELEASE AND CONSENT AGREEMENT

Grantor (Assignor):	Skagit County Community Action Agency
Grantee (Assignee):	Home Trust of Skagit
Beneficiary (Lender):	Department of Commerce
Legal Description (abbreviated):	Ptn Lots 10-14, Blk 4; Lots 6-15, Blk 5; Lots 6-10, Blk 6, Syndicate Add.
Assessor's Property Tax Parcel Number(s):	P128671, P128672, P128680, P128681, P128682, P128684, P128669, P128670, P128667, P129848, P128668, P128677, P128678, P128679, P128675, P128676, P128673, P128674, P128683 & P128685 (formerly P74268 and P74276)
Contract Number:	06-47104-003
Recording Number of Documents Assigned:	200612290120 - Low Income Housing Covenant 200612290121 - Deed of Trust

THIS ASSIGNMENT, ASSUMPTION, RELEASE AND CONSENT AGREEMENT ("Assumption Agreement") is entered into as of this 23rd day of SEPTEMBER 2011, by and among Skagit County Community Action Agency, a Washington non-profit corporation, with its principal offices at 330 Pacific Place, Mount Vernon, Washington 98273-5427 (hereinafter called "Assignor"), Home Trust of Skagit, a Washington non-profit corporation, with its principal offices at 330 Pacific Place, Mount Vernon, Washington 98273-5427 (hereinafter called "Assignee"), and the Department of Commerce (formerly the Department of Community, Trade and Economic Development), or its successor agency, whose location and mailing addresses are 1011 Plum Street SE, P.O. Box 42525, Olympia, Washington 98504-2525 (hereinafter called "Lender").

WHEREAS, Assignor and Lender are parties to that certain HOME Program Contract Number 06-47104-003 dated December 22, 2006 whereby Lender agreed to loan Assignor One Million Five Hundred Seventeen Thousand Nine Hundred Fifteen Dollars (\$1,517,915.00) (the "Contract") as a loan to purchase, from Lender, a twenty-two (22) unit low-income housing project known as Channel Cove; and

WHEREAS, Assignor executed a Promissory Note (the "Note") dated December 22, 2006, to pay Lender or the holder of the Note the principal sum of One Million Five Hundred Seventeen Thousand Nine Hundred Fifteen Dollars (\$1,517,915.00);

WHEREAS, on December 22, 2006, to secure payment of the Note, Assignor executed a Deed of Trust (the "Deed of Trust") naming the Lender as the Beneficiary, which Deed of Trust was recorded under Skagit County Auditor's Number 200612290121 and concerned real property located in Skagit County, Washington described in Schedule A-1 (the "Property") attached hereto, which by this reference is incorporated into this Assumption Agreement; and

WHEREAS, on December 28, 2006, Assignor executed an Amended and Restated Low Income Housing Covenant Agreement (the "First Amended Covenant") to formalize restrictions on the use of the Property, which First Amended Covenant was recorded under Skagit County Auditor's Number 200612290120 and concerned the Property as described in Schedule A-1, attached hereto; and

WHEREAS, the Contract, the Note, the Deed of Trust and the First Amended Covenant are collectively referred to in this Assumption Agreement as the "Loan Documents", and

WHEREAS, Assignor wishes to assign to Assignee and to have Assignee assume all of Assignor's rights and obligations under the Loan Documents and Assignee is willing to assume all of said obligations of Assignor there under; and

WHEREAS, Assignor seeks the consent of Lender to the assignment and assumption of the obligations set forth in the Loan Documents 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 Loan Documents.

2. **Assumption.** Assignee further assumes all other obligations of Assignor under the Loan Documents 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 Loan Documents and any other documents or instruments executed and delivered or furnished by Assignor in connection therewith.

3. **Consent.** Lender hereby consents to the foregoing assignment and assumption of the obligations of the Loan Documents pursuant to the terms and conditions set forth herein.

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 Home Trust of Skagit as the responsible party assuming the obligations under the Loan Documents and releasing Assignor from all obligations under the Loan Documents.

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 Deed of Trust and the Covenant.



201110260071
Skagit County Auditor

- (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 Deed of Trust and the Covenant.
- (d) Assignee is not in default or alleged to be in default with respect to any judgment, order, writ, injunction or decree or in breach or alleged to be in 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 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.

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 Loan Documents 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 (or its successor agency'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.



IN WITNESS WHEREOF, the undersigned warrant that they have the authority to execute 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:

Skagit County Community Action Agency, a
Washington non-profit corporation

By: [Signature]

Printed Name: Bill Henkel

Title: Executive Director

Date: 9.23.11

ASSIGNEE:

Home Trust of Skagit, a Washington non-profit
corporation

By: [Signature]

Printed Name: J. GABRIEL OLSEN

Title: PRESIDENT, BOARD OF DIRECTORS

Date: Sept 23, 2011

LENDER:

Department of Commerce (formerly the Department of
Community, Trade and Economic Development)

By: [Signature]

Printed Name: Dan McConnon

Title: Deputy Director, Community Services and
Housing Division

Date: 10/4/11



201110260071

Skagit County Auditor

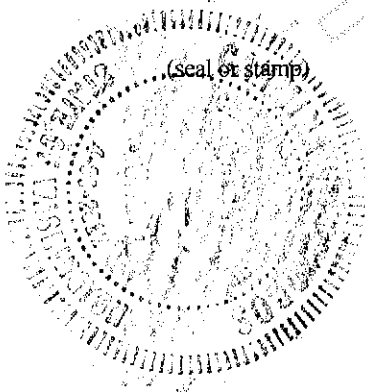
STATE OF WASHINGTON)
) ss.
COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that James Gabriel Omskd 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 of Trustees of Skagit County Community Action Agency, 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, and on oath stated that he/she was authorized to execute the said instrument.

Date: 9/23/11

Cannina Villalobos
Notary Public in and for the State of Washington,
residing at Skagit County

My commission expires 04/08/2012



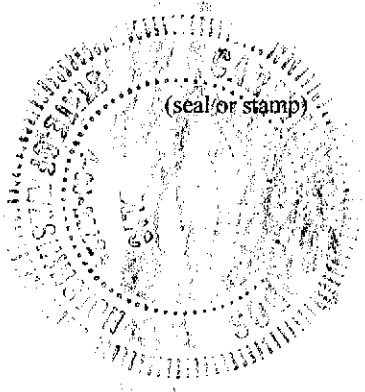
STATE OF WASHINGTON)
) ss.
COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that William B Henkel 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 Home Trust of Skagit, 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, and on oath stated that he/she was authorized to execute the said instrument.

Date: 9/23/11

Cannina Villalobos
Notary Public in and for the State of Washington,
residing at Skagit County

My commission expires 04/08/2012



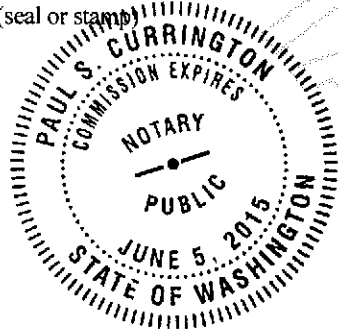
201110260071
Skagit County Auditor

STATE OF WASHINGTON)
) ss.
COUNTY OF THURSTON)

On this 4th day of October, 2011, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Dan McConnon, to me known to be the Deputy Director for Community Services and Housing Division of the Department of Commerce, 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 stated 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)



Paul S. Currington
Notary Public in and for the State of Washington,
residing at Aspen

My commission expires 6-15-15



Schedule "A-1"

Order No.: 115460-P

DESCRIPTION:

PARCEL "A":

Lots 6 through 15, inclusive, Block 5, "MAP OF SYNDICATE ADDITION TO THE TOWN OF LA CONNER, SKAGIT CO., WASH.", as per plat recorded in Volume 2 of Plats, page 109, records of Skagit County, Washington.

Situate in the Town of LaConner, County of Skagit, State of Washington.

PARCEL "B":

Lots 6 to 10, inclusive, Block 6, "MAP OF SYNDICATE ADDITION TO THE TOWN OF LA CONNER, SKAGIT CO., WASH.", as per plat recorded in Volume 2 of Plats, page 109, records of Skagit County, Washington.

Situate in the Town of LaConner, County of Skagit, State of Washington.

PARCEL "C":

A tract of land described as follows:

Beginning at the Northeast corner of Block 4, "MAP OF SYNDICATE ADDITION TO THE TOWN OF LA CONNER, SKAGIT CO., WASH.", as per plat recorded in Volume 2 of Plats, page 109, records of Skagit County, Washington;
thence Westerly along the Northerly line of said Block, 205 feet;
thence Southerly to a point on the South line of said Block 4, which is 103 feet West from the Southeast corner of said Block;
thence Easterly 103 feet to the Southeast corner of said Block 4;
thence Northerly along the East line of said Block 4 to the point of beginning, the said description including all of Lots 12 and 13 and parts of Lots 10, 11, 14 and 15, all in Block 4, "MAP OF SYNDICATE ADDITION TO THE TOWN OF LA CONNER, SKAGIT CO., WASH."

Situate in the Town of LaConner, County of Skagit, State of Washington.

PARCEL "D":

That portion of Orchard Street bounded on the North by Lot Nos. 6 through 10, Block 6, "SYNDICATE ADDITION TO LA CONNER", on the East by the Westerly right-of-way of Park Street; on the South by Lot Nos. 11 through 15, Block 5, "SYNDICATE ADDITION TO LA CONNER"; on the West by a line drawn between the Westerly line of Lot 6, Block 6 and the Westerly line of Lot 15, Block 5.

That portion of Garden Street bounded on the North by Lot Nos. 6 through 10, Block 5, "SYNDICATE ADDITION TO LA CONNER"; on the East by the Westerly right-of-way of Park Street; on the South by the Easterly 40.4 feet of Lot No. 10 and Lots 11 through 13, Block 4, "SYNDICATE ADDITION TO LA CONNER"; on the West by a line drawn between a point which is 205 feet East of the Northeasterly point of Block 4 and a point which is 205 feet east of the Southeasterly point of Block 5.

Situate in the Town of LaConner, County of Skagit, State of Washington.

Also shown of record as Southfield PURD Binding Site Plan recorded under Auditor's File Number 200907240089.



201110260071
Skagit County Auditor