

AFTER RECORDING RETURN TO:
Washington State Housing Finance Commission
Attn: Jack W. Beeching
421 W. Riverside Ave. Ste. 661
Spokane, Washington 99201



201111100066
Skagit County Auditor

11/10/2011 Page 1 of 13 12:14PM

TRANSFER AGREEMENT

GUARDIAN NORTHWEST TITLE CO.

Purpose: Document is being recorded to maintain the terms of the **tax credit regulatory agreement** between the entities involved and the Washington State Housing Finance Commission.

101776-2

Transferor: **Summerglen One, LLC**, a Washington Limited Liability Company 43.4%
Summerglen Two, LLC, a Washington Limited Liability Company 29%
Bali Palm Investment Group, LLC, an Arizona Limited Liability Co. 15.05%
Tram Fam, LLC, an Arizona Limited Liability Company 7.05%

Transferee: **Summerglen LLC**, a Washington Limited Liability Company

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

Additional legal description on page 5 of document.

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

340416-3-002-001, 340416-0-009-0009, 340416-3-018-0008 and 340416-0-008-0000
cc1-0001

Reference number(s) of documents

being assigned or related documents: 200701080175, 9511160002, 951116003, 9703250070, 201108200160, 200306020214, 9511160003, and 200306020214

TRANSFER AGREEMENT

Summerglen Apartments, OID# 95-44A

Washington State Housing Finance Commission Tax Credit Regulatory Agreement

THIS TRANSFER AGREEMENT ("Agreement") is entered into as of ~~October~~ NOVEMBER 10, 2011 by and among the Washington State Housing Finance Commission (the "Commission"), a public body corporate and politic; **Summerglen One, LLC**, a Washington Limited Liability Company; **Summerglen Two, LLC**, a Washington Limited Liability Company; **Bali Palm, LLC**, an Arizona Limited Liability Company; and **Tram Fam, LLC**, an Arizona Limited Liability Company, a Washington limited partnership ("Transferor"); and **Summerglen LLC**, a Washington Limited Liability Company ("Transferee").

WHEREAS, the Commission and **Summerglen Apartments Limited Partnership**, a Washington limited partnership entered into a Regulatory Agreement (Extended Use Agreement) (the "Tax Credit Regulatory Agreement") which was dated as of November 1, 1995, and recorded November 16, 1995 in the official public records of Skagit County, Washington, under Auditor's File No. 9511160002 affecting that certain property described on the cover page (the "Property"), wherein the Commission reserved an amount of Credit for allocation to the Property and improvements thereon in which Transferor agreed to own and operate such improvements as a "qualified low-income housing project" (the "Project") as that term is defined under Section 42 of the Internal Revenue Code of 1986, as amended (the "Code"), and comply with the terms, conditions and obligations of the Tax Credit Regulatory Agreement and the Commission's low-income housing tax credit program (the "Program");

WHEREAS, the Commission and Transferor also entered into a Regulatory Agreement dated November 1, 1995, and recorded November 16, 1995, in the official public records of Skagit County, Washington, under Auditor's File No. 951116003 (the "Bond Regulatory Agreement") with respect to the Project and the Property in which Transferor agreed to own and operate the Project in compliance with the requirements of the Code and the Commission for the issuance of tax-exempt bonds to finance the Project;

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 No. 200108200160 which is incorporated herein by this reference, wherein the Commission transferred all the terms, conditions, and obligations, and other obligations of the Agreement to **Prairie SAHP Corporation**, a Delaware Corporation.

Whereas, the Commission and **Prairie SAHP Corporation**, a Delaware Corporation entered into a Transfer Agreement dated May 1, 2003, and recorded June 2, 2003, in Skagit County, Washington under Auditor's File No. 200306020214 which is incorporated herein by this reference, wherein the Commission transferred all the terms, conditions, and obligations, and other obligations of the Agreement to **SUBGP, LLC**, an Oregon limited liability company.



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Whereas, the Commission and **SUBGP, LLC**, an Oregon limited liability company entered into a Transfer Agreement dated January 3, 2007, and recorded January 8, 2007, in Skagit County, Washington under Auditor's File No. 200701080175 which is incorporated herein by this reference, wherein the Commission transferred all the terms, conditions, and obligations, and other obligations of the Agreement to **Summgerglen One, LLC**, a Washington Limited Liability Company; **Summgerglen Two, LLC**, a Washington Limited Liability Company; **Bali Palm Investment Group, LLC**, an Arizona Limited Liability Company; and **Tram Fam, LLC**, an Arizona Limited Liability Company, a Washington limited partnership.

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

NOW THEREFORE, the parties hereto agree as follows:

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

2. Subject to the terms hereof, the Commission hereby consents to the Transaction. 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. Transferee hereby assumes and agrees to perform all of the obligations of Transferor under the Tax Credit Regulatory Agreement and the Bond Regulatory Agreement, and agrees to be bound by all of the covenants, terms and conditions thereof.

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

5. Transferee expressly assumes such obligations and duties of Transferor and shall perform such terms, conditions and obligations as required by the Tax Credit Regulatory Agreement and Bond Regulatory Agreement, any ancillary agreements entered into between the Commission and Transferor, the Program and the Code. Transferee hereby agrees to post a bond as described in Section 42(j)(6) of the Code within 60 days of the Transaction, if necessary to avoid recapture of the Credit.

6. 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 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 Tax Credit Regulatory Agreement and Bond Regulatory Agreement, and in no case shall the Commission's consent be construed as evidence of the Commission's determination that the Project is in such compliance.

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



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8. Solely to meet the safe harbor requirements of IRS Revenue Procedure 2005-37 and as a clarification of requirements already contained in the Tax Credit Regulatory Agreement, the following language is hereby added to the Tax Credit Regulatory 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.

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

10. If any term or provisions of this Agreement or the application thereof to any person or circumstances shall to any extent be invalid or unenforceable, the remainder of this Agreement 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 Agreement shall be valid and enforceable to the fullest extent possible.

11. 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.

12. In the event any controversy or claim arises under this Agreement, 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.

13. This Agreement shall be governed by the laws of the State of Washington.

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

15. 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.



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

TRANSFEROR:

Summarglen One, LLC, a Washington Limited Liability Company

By: _____
Its: _____

Summarglen Two, LLC, a Washington Limited Liability Company

By: _____
Its: _____

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

By: _____
Its: _____

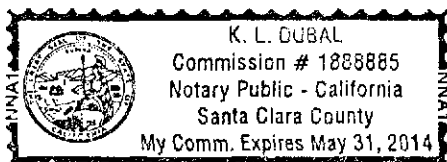
Tram Fam, LLC, an Arizona Limited Liability Company

By: [Signature]
Its: member

STATE OF ^{CA} WASHINGTON)
) ss.
COUNTY OF Santa Clara)

I hereby certify that I know or have satisfactory evidence that Kirk L Trammell appeared before me, and acknowledged that he signed this instrument, on oath stated that he was authorized to execute this instrument, and acknowledged it as the member, of Tram Fam LLC to be the free and voluntary act of such entity for the uses and purposes mentioned in this instrument.

GIVEN under my hand and official seal on NOV 03, 2011.



Signature of Notary [Signature]
Print Name: K. L. DUBAL



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

TRANSFEROR:

Summerglen One, LLC, a Washington Limited Liability Company

By: David Dickson
Its: managing member

Summerglen Two, LLC, a Washington Limited Liability Company

By: David Dickson
Its: managing member

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

By: David Dickson
Its: managing member

Tram Fam, LLC, an Arizona Limited Liability Company

By: _____
Its: _____

STATE OF WASHINGTON)
) ss.
COUNTY OF King)

I hereby certify that I know or have satisfactory evidence that David Dickson appeared before me, and acknowledged that ~~he~~she signed this instrument, on oath stated that ~~he~~she was authorized to execute this instrument, and acknowledged it as the managing member, of Summerglen One, LLC to be the free and voluntary act of such entity for the uses and purposes mentioned in this instrument.

GIVEN under my hand and official seal on November 3, 2011.

DELLA M. CROSSLEY
Notary Public
State of Washington
My Commission Expires
November 06, 2014

Della M. Crossley
Signature of Notary
Print Name: Della M. Crossley



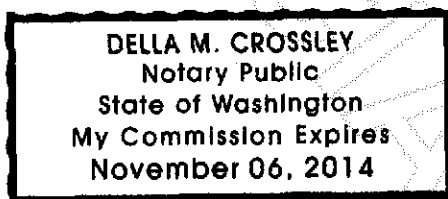
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NOTARY PUBLIC in and for the State of
Washington, residing at: Buckley
My commission expires: Nov. 6, 2014

STATE OF WASHINGTON)
) ss.
COUNTY OF King)

I hereby certify that I know or have satisfactory evidence that Darrel Dickson appeared before me, and acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute this instrument, and acknowledged it as the managing member, of Summervale Two, LLC to be the free and voluntary act of such entity for the uses and purposes mentioned in this instrument.

GIVEN under my hand and official seal on ~~Nov. 6, 2014~~ Nov. 3, 2011

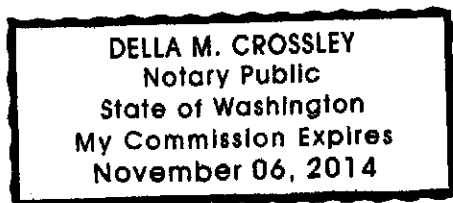


Della M. Crossley
Signature of Notary
Print Name: Della M. Crossley
NOTARY PUBLIC in and for the State of
Washington, residing at: Buckley
My commission expires: Nov. 6, 2014

STATE OF WASHINGTON)
) ss.
COUNTY OF King)

I hereby certify that I know or have satisfactory evidence that Darrel Dickson appeared before me, and acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute this instrument, and acknowledged it as the managing member, of BAI Palm Investment Group to be the free and voluntary act of such entity for the uses and purposes mentioned in this instrument.

GIVEN under my hand and official seal on ~~Nov. 6, 2014~~ Nov. 3, 2011



Della M. Crossley
Signature of Notary
Print Name: Della M. Crossley
NOTARY PUBLIC in and for the State of
Washington, residing at: Buckley
My commission expires: Nov. 6, 2014



Skagit County Auditor

STATE OF WASHINGTON)

) ss.

COUNTY OF _____)

I hereby certify that I know or have satisfactory evidence that _____ appeared before me, and acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute this instrument, and acknowledged it as the _____, of _____ to be the free and voluntary act of such entity for the uses and purposes mentioned in this instrument.

GIVEN under my hand and official seal on _____.

Signature of Notary

Print Name: _____

NOTARY PUBLIC in and for the State of

Washington, residing at: _____

My commission expires: _____

TRANSFeree:

Summerglen LLC,
a Washington limited liability company

By: _____

Name: Darrel Dickson

Its: Managing Member

STATE OF WASHINGTON)

) ss.

COUNTY OF KING)

I hereby certify that I know or have satisfactory evidence that **Darrel Dickson** appeared before me, and acknowledged that **he** signed this instrument, on oath stated that **he** was authorized to execute this instrument, and acknowledged it as the managing member of **Summerglen LLC**, a Washington limited liability company, to be the free and voluntary act of such entity for the uses and purposes mentioned in this instrument.

GIVEN under my hand and official seal on Nov. 3, 2011.

DELLA M. CROSSLEY
Notary Public
State of Washington
My Commission Expires
November 06, 2014

Signature of Notary

Print Name: Della M. Cross



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NOTARY PUBLIC in and for the State of
Washington, residing at: Buckley
My commission expires: Nov 16, 2014

**WASHINGTON STATE HOUSING
FINANCE COMMISSION**

By: _____
Name: Kim Herman
Its: Executive Director

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I hereby certify that I know or have satisfactory evidence that **Kim Herman** appeared before me, and acknowledged that he signed this instrument, on oath stated that he was authorized to execute this instrument, and acknowledged it as the **Executive Director** to be the free and voluntary act of such entity for the uses and purposes mentioned in this instrument.

GIVEN under my hand and official seal on _____.

Signature of Notary
Print Name:
NOTARY PUBLIC in and for the State of
Washington, residing at:
My commission expires:



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

TRANSFEROR:

Summerglen One, LLC, a Washington Limited Liability Company

By: _____
Its: _____

Summerglen Two, LLC, a Washington Limited Liability Company

By: _____
Its: _____

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

By: _____
Its: _____

Tram Fam, LLC, an Arizona Limited Liability Company

By: _____
Its: _____

TRANSFeree:

**Summerglen LLC ,
a Washington limited liability company**

By: _____
Name: Darrel Dickson
Its: Managing Member

**WASHINGTON STATE HOUSING
FINANCE COMMISSION**

By: _____
Name: Kim Herman
Its: Executive Director



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STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I hereby certify that I know or have satisfactory evidence that **Darrel Dickson** appeared before me, and acknowledged that he signed this instrument, on oath stated that he was authorized to execute this instrument, and acknowledged it as the managing member of **Summervlen LLC**, a Washington limited liability company, to be the free and voluntary act of such entity for the uses and purposes mentioned in this instrument.

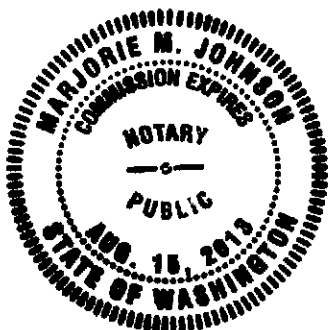
GIVEN under my hand and official seal on _____.

Signature of Notary
Print Name: _____
NOTARY PUBLIC in and for the State of
Washington, residing at: _____
My commission expires: _____

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I hereby certify that I know or have satisfactory evidence that **Kim Herman** appeared before me, and acknowledged that he signed this instrument, on oath stated that he was authorized to execute this instrument, and acknowledged it as the **Executive Director** to be the free and voluntary act of such entity for the uses and purposes mentioned in this instrument.

GIVEN under my hand and official seal on 10/31/11.



Marjorie M. Johnson
Signature of Notary
Print Name: MARJORIE M. JOHNSON
NOTARY PUBLIC in and for the State of
Washington, residing at: FEDERAL WAY
My commission expires: 8-15-2013



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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 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 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.



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And EXCEPT from all of the above the North 15 feet and the South 50 feet conveyed to the City of Mount Vernon by deed recorded under Auditor's File No. 9601190053, Records of Skagit County, Washington, as a re-recording to Auditor's File No. 9511170039, records of Skagit County, Washington



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