



201207090005

Skagit County Auditor

7/9/2012 Page

1 of

5 9:54AM

**When Recorded Return to:**

Washington State Department of Commerce  
**Housing Trust Fund**  
1011 Plum Street SE  
P.O. Box 42525  
Olympia, WA 98504-2525

Attention: Carol Olson, (360) 725-2936

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**ASSUMPTION AND CONSENT AGREEMENT**

Grantee (CONTRACTOR): Compass Health  
Beneficiary (Lender): Department of Commerce  
Legal Description (abbreviated): STORIE & CARPENTER TO MT VERNON LT 5 BLK 5  
Assessor's Property Tax Parcel Number(s): P54447  
Contract Number: 2-91-491-43  
Recording Number of Documents Assumed: Deed of Trust: 9205120083

30<sup>th</sup> THIS ASSUMPTION AND CONSENT AGREEMENT ("Assumption Agreement") is entered into as of this day of April 2012 by and among Compass Health, a Washington nonprofit corporation, with its principal offices at 4526 Federal Avenue, Everett, Washington 98203, (hereinafter called "CONTRACTOR"), and the Department of Commerce (formerly the Department of Community, Trade and Economic Development), an agency of the State of Washington or its successor agency, whose address is 1011 Plum Street SE, P.O. Box 42525, Olympia, Washington 98504-2525 (hereinafter called "Lender").

WHEREAS, Community Mental Health Center d/b/a Skagit Community Mental Health Center and Lender are parties to that certain Housing Trust Fund Contract Number 2-91-491-43 dated as of March 11, 1991 whereby Lender agreed to provide funding to Skagit Community Mental Health Center d/b/a Skagit Community Mental Health Center in the amount of Ninety-Seven Thousand Five Hundred Fifty Dollars (\$97,550.00) as a zero percent (0%) interest deferred lump sum payment loan for acquisition and rehabilitation costs associated with the purchase of a home in order to provide five (5) beds for chronically mentally ill individuals in Skagit County, Washington; and

WHEREAS, the parties agree that Skagit Community Mental Health Center did not execute a Promissory Note (the "Note") to pay Lender or the holder of the Note the principal sum of Ninety-Seven Thousand Five Hundred Fifty and 00/100 Dollars (\$97,550.00); and

WHEREAS, on April 14, 1992, to secure payment of the indebtedness, Skagit Community Mental Health Center executed a Deed of Trust (the "Deed of Trust") naming the Lender as the Beneficiary, which Deed of Trust was recorded May 12, 1992 under Skagit County Auditor's Number 9205120083 and concerned real property located in Skagit County, Washington described as follows:

**LOT FIVE (5) BLOCK FIVE (5), "CARPENTER'S ADDITION TO THE CITY OF MOUNT VERNON", AS PER PLAT RECORDED IN VOLUME THREE (3) OF PLATS, PAGE 58, RECORDS OF SKAGIT COUNTY, WASHINGTON, and**  
commonly known as 502 North 6<sup>th</sup> Street, Mount Vernon, Washington, 98273-3922 (the "Property").

WHEREAS, Community Mental Health Services d/b/a Skagit Community Mental Health Services merged with the CONTRACTOR pursuant to the Articles of Merger filed with the Washington State's Secretary of State on December 5, 2002, thus becoming a single entity; and

WHEREAS Lender recognizes that the Compass Health became responsible and liable for the Contract, the indebtedness, and the Deed of Trust (collectively the "Loan Documents") as successor in interest, effective January 1, 2003 as a matter of law pursuant to RCW 24.03.210 and the Articles of Merger dated December 3, 2002; and

WHEREAS, the 2009 Regular Session of the Washington State Legislature changed the name of the Department of Community, Trade and Economic Development to the Department of Commerce effective July 26, 2009 in Engrossed House Bill 2242, thus all references in the Loan Documents, to the Department of Community, Trade and Economic Development or DEPARTMENT shall now be deemed references to the Department of Commerce; and

WHEREAS, the CONTRACTOR, as a result of the above described merger is willing to assume all of Community Mental Health Services d/b/a Skagit Community Mental Health Services' rights and obligations under the Loan Documents; and

WHEREAS, CONTRACTOR seeks the consent of Lender to the assume the Loan documents as set forth herein, and Lender is willing to grant such consent on the terms and conditions set forth herein;

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

1. Assumption. CONTRACTOR hereby expressly assumes and agrees to make punctual payment when due (whether on the stated dates, by acceleration or otherwise) of the principal of and interest on the indebtedness, as set forth in the Loan Documents. CONTRACTOR further assumes all other obligations of Community Mental Health Services d/b/a Skagit Community Mental Health Services under the Loan Documents subject to the nonrecourse provisions therein. CONTRACTOR hereby expressly assumes and agrees to perform, observe and confirm all the covenants, agreements, terms, conditions, obligations, duties and liabilities of Community Mental Health Services d/b/a Skagit Community Mental Health Services under the Loan Documents and any other documents or instruments executed and delivered or furnished by Community Mental Health Services in connection therewith.

2. Consent. Lender hereby consents to the foregoing assignment and assumption of the Community Mental Health Services d/b/a Skagit Community Mental Health Services' obligations under the Loan Documents pursuant to the terms and conditions set forth herein.

3. Representations and Warranties of CONTRACTOR. In order to induce Lender to consent to the assumption provided or herein, CONTRACTOR hereby represents to Lender that:

- (a) CONTRACTOR is a non-profit corporation duly organized and validly existing under the laws of the State of Washington.
- (b) CONTRACTOR 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 Loan Documents, to execute, deliver and perform under this Assumption Agreement, and to assume the obligations of Community



Mental Health Services d/b/a Skagit Community Mental Health Services and to fulfill its duties under the Loan Documents.

- (c) There is no action, suit or proceeding or any investigation pending or, to the best of CONTRACTOR's knowledge, threatened against or affecting CONTRACTOR at law 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 CONTRACTOR's ability to assume the obligations and to fulfill the duties of Community Mental Health Services d/b/a Skagit Community Mental Health Services under the Loan Documents.
- (d) CONTRACTOR 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, Loan Documents, 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 CONTRACTOR's knowledge, there is no state of facts which is likely to create or cause a default or breach under any such material lease, Loan Documents, agreement, commitment, instrument or obligation.
- (e) To the best of CONTRACTOR's knowledge and belief, CONTRACTOR 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 CONTRACTOR's knowledge and belief, CONTRACTOR 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 CONTRACTOR, 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 CONTRACTOR'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 CONTRACTOR's organizational agreements or any provision of any contract or other instrument to which CONTRACTOR is a party or by which either or the property of either 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 CONTRACTOR to execute, deliver and perform its obligations under this Assumption Agreement.

4. Further Assurances. At any time and from time to time, upon Lender's (or its successor agency's) request, CONTRACTOR will promptly and duly execute and deliver any and all further instruments and documents to 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.

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

6. Successors and Assigns. This Assumption Agreement shall be binding upon CONTRACTOR and its successors and assigns and shall inure to the benefit of Lender and its successors and assigns; provided, however that



CONTRACTOR 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.

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

8. Non-Recourse Loan: Notwithstanding anything to the contrary herein, Community Mental Health Services d/b/a Skagit Community Mental Health Services, the CONTRACTOR, its assigns and their respective members, partners, officers, directors, employees, agents and contractors shall have no personal liability for payment to the indebtedness evidenced hereby or performance of the covenants set forth in the Loan Documents, and the recourse of the holder hereof shall be confined to the exercise of its rights under the Deed of Trust, provided that nothing shall diminish the CONTRACTOR's liability for damages or deficiencies resulting from theft, waste, fraud, material misrepresentation and misuse of rents.

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.

CONTRACTOR:

Compass Health, a Washington nonprofit corporation

By: Tom

Print name: Tom SEBASTIAN

Title: 4/30/12

DEPARTMENT:

Department of Commerce

By: Dan McC

Print Name: Dan McConnon

Title: Deputy Director, Community Services and Housing Division

Date: 5/29/12

Approved as to Form by:

Sandra Adix, Assistant Attorney General

Date: April/Coll

05/18/2012

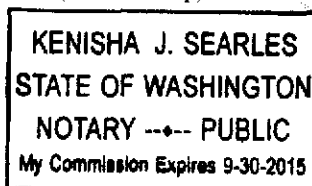


STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF SKAGIT )

I certify that I know or have satisfactory evidence that Tom Sebastian 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 President/CEO of Compass Health, a Washington nonprofit 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: 4/30/2012

(seal or stamp)



Kenisha Searles  
Notary Public in and for the State of Washington,  
residing at Everett, WA 98203

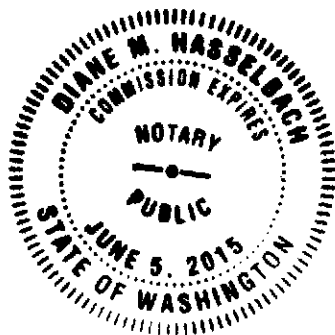
My commission expires September 30, 2015

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF THURSTON )

On this 29<sup>th</sup> day of MAY, 20012, 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, Community Services and Housing Division, 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 6/5/2015

