



201405230071

**When Recorded Return to:**

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

Skagit County Auditor

\$222.00

5/23/2014 Page

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7 12:29PM

Attention: Michelle Campbell, (360) 725-3039

**LAND TITLE OF SKAGIT COUNTY**  
 1410824-S

**ASSIGNMENT, ASSUMPTION, RELEASE AND CONSENT AGREEMENT**

Grantor (Assignor): Mercy Housing Northwest

Grantee (Assignee): Villa Kathleen Redevelopment LLLP

Beneficiary (Lender): Department of Commerce

Legal Description (abbreviated): EVERGREEN: (PARCEL A) PTN. LOT 12, SUNRISE ADD  
 (AKA LOT 1, SP# CON 89-01).

VILLA KATHLEEN: (PARCEL B) FRITSCH'S TO BURLINGTON  
 LOTS 13 TO 23 BLK 2 DK 12

FIRCREST: (PARCEL C) PTN. SE ¼ of SE ¼, 17-34-4 E W.M.

Assessor's Property Tax Parcel Number(s): P72536, P70890 and P26029

Contract Number: 12-94110-035

Recording Number of Documents Assigned:

Document  
 deed of trust  
 deed of trust  
 deed of trust  
 covenant  
 covenant  
 covenant

Recording Number:

201405230048  
 201405230049  
 201405230070  
 201405230054  
 201405230057  
 201406230058

THIS ASSIGNMENT, ASSUMPTION, RELEASE AND CONSENT AGREEMENT ("Assumption Agreement") is entered into as of the 14<sup>th</sup> day of April 2014, by and among Mercy Housing Northwest, a Washington non-profit corporation, with its principal offices at 2505 3rd Ave, Suite 204, , Seattle, WA 98121 (hereinafter called "Assignor"), Villa Kathleen Redevelopment LLLP, a Washington Limited Liability Limited Partnership with its principal offices at 2505 3rd Ave, Suite 204 (hereinafter called "Assignee"), and Department of Commerce, 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 Housing Trust Fund Contract Number 12-94110-035 dated as of October 1, 2013 (the "Original Contract") and a First Contract Amendment (the "First Contract Amendment") executed on April 14<sup>th</sup>, 2014 whereby Lender agreed to loan Assignor

Eight Hundred, Fifty Thousand and 00/100 Dollars (\$850,000.00) for the purpose of the acquisition and rehabilitation of eighty-four (84) housing units, including one (1) manager's unit where eighty-three (83) units will be occupied by low-income households located at three locations; 535 N Pine Street in Burlington, WA 98233 (Villa Kathleen), 7649 S Rietze Avenue in Concrete, WA 98237 (Evergreen Manor) and 1815 E. Fir Street in Mt. Vernon, WA 98273 (Firecrest Apartments).

WHEREAS, Assignor executed three (3) Promissory Notes (the "Notes") dated as of April 8th, 2014 to pay Lender or the holder of the Note the principal sum of no less than Eight Hundred, Fifty Thousand and 00/100 Dollars (\$850,000.00); and

WHEREAS, on May 22, 2014, to secure payment of the Notes, Assignor executed three (3) Deeds of Trust (the "Deeds of Trust") naming the Lender as the Beneficiary, which Deeds of Trust to be recorded under Skagit County Auditor's Numbers 201405230068, 201405230069, and 201405230070 concerning real properties located in Skagit County, Washington described as follows:

See Exhibit A

WHEREAS, on May 22, 2014 Assignor, to restrict the use of the property for the term of commitment, executed three (3) Low Income Housing Covenants (the "Covenants"), which Covenants to be recorded under Skagit County Auditor's Numbers 201405230066, 201405230067, and 201405230068 concerning the real properties described on Exhibit A; and

WHEREAS, Assignor wishes to assign to Assignee and to have Assignee assume all of Assignor's rights and obligations including the First Contract Amendment, the Notes, Deeds of Trust and the Covenants (collectively, the "Loan Documents") 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 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:

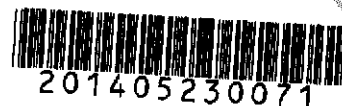
1. Assignment. Assignor hereby sells, transfers, assigns, grants, and conveys to Assignee all of its right, title, obligations and interest existing, as of this date in and under the Loan Documents.

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 obligation of the Loan Documents pursuant to the terms and conditions set forth herein.

4. Release. The parties to this agreement, being fully advised and informed, hereby consent to this assignment and understand that it shall constitute a novation, substituting Mercy Housing Northwest 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 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 limited liability limited partnership 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.
- (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 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:

MERCY HOUSING NORTHWEST, a Washington non-profit corporation

By: Bill Rumpf

Printed Name: Bill Rumpf

Title: President

Date: April 8, 2014

ASSIGNEE:

VILLA KATHLEEN REDEVELOPMENT LLLP, a Washington Limited Liability Limited Partnership

By: Bill Rumpf

Printed Name: Bill Rumpf

Title: President, Mercy Housing Northwest

Date: April 8, 2014

LENDER:

DEPARTMENT OF COMMERCE, a department of the state of Washington

By: Diane Klontz

Printed Name: Diane Klontz

Title: Assistant Director, Community Services and Housing Division

Date: 4/14/14

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Skagit County Auditor

\$222.00

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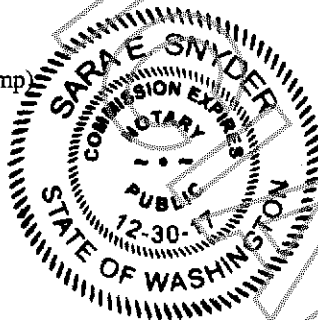
\* Cobble Knoll I Mercy LLC, BR  
general partner

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF KING )

I certify that I know or have satisfactory evidence that Bill Rumpf 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 of **Mercy Housing Northwest**, 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 was authorized to execute the said instrument.

Date: 4-8-2014

(seal or stamp)



Sara E. Snyder  
Notary Public in and for the State of Washington,  
residing at 1613 MLK Way Seattle

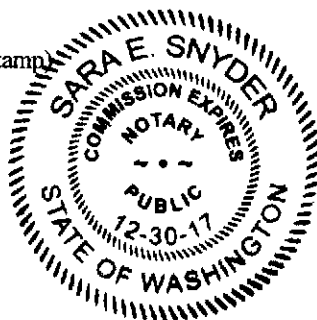
My commission expires: 12-30-2017

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF KING )

I certify that I know or have satisfactory evidence that Bill Rumpf 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 of **Mercy Housing Northwest**, a Washington non-profit corporation, to me known to be the General Partner of **Villa Kathleen Redevelopment LLLP**, a Washington limited liability limited partnership, 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 was authorized to execute the said instrument.

Date: 4-8-2014

(seal or stamp)



Sara E. Snyder  
Notary Public in and for the State of Washington,  
residing at 1613 MLK Way Seattle

My commission expires: 12-30-2017

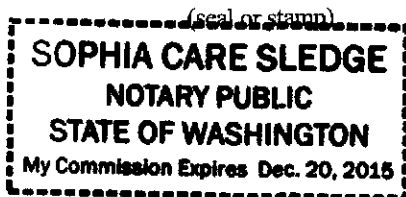


201405230071

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF THURSTON )

On this 14<sup>th</sup> day of April, 2014, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared **Diane Klontz**, to me known to be the **Assistant 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 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.



Sophia Care Sledge  
Notary Public in and for the State of Washington,  
residing at: Olympia, WA 98501  
My commission expires: 12/20/2015



201405230071

**EXHIBIT A**

**FULL LEGAL DESCRIPTIONS**

**EVERGREEN: (PARCEL A)**

Lot 1, Concrete Short Plat No. SP#CON-89-01, approved June 14, 1989 and recorded on December 1, 1989 in Volume 8 of Short Plats, page 192, under Auditor's File No. 8912010018, records of Skagit County, Washington; being a portion of Lot 12, plat of sunrise addition in Volume 4 of Plats, page 44, records of Skagit County, Washington.

Situate in the Town of Concrete, County of Skagit, State of Washington

**VILLA KATHLEEN: (PARCEL B)**

Lot 13 through 23, inclusive, Block 2 "FRITSCH'S ADDITION TO BURLINGTON", as per plat recorded in Volume 3 of Plats, page 78, records of Skagit County, Washington.

Situate in the City of Burlington, County of Skagit, State of Washington

**FIRCREST: (PARCEL C)**

That portion of the Southeast  $\frac{1}{4}$  of the Southeast  $\frac{1}{4}$  of Section 17, Township 34 North, Range 4 East, W.M., described as follows;

Beginning at the Southwest corner of Lot 17, "BEL-AIR MANOR THIRD ADDITION," as per plat recorded in Volume 10 of Plats, page 42, records of Skagit County, Washington;  
thence South parallel with the East line of 18<sup>th</sup> Street a distance of 126 feet to the true point of beginning of this description;  
thence Northeasterly to a point on the Southwesterly line of North Viewmont Drive (as shown on said plat) which point lies 60 feet Southeasterly from the Southeast corner of said Lot 17 when measured along the Southwesterly line of said North Viewmont Drive;  
thence Southeasterly along said Southwesterly line a distance of 113 feet, more or less, to the Northwest corner of Lot 14, "BEL-AIR MANOR FIRST ADDITION," as per plat recorded in Volume 7 of Plats, page 60, records of Skagit County, Washington;  
thence South along the West line of said Lot 14 and along the West line of Lot 1 of said plat to the North line of Fir Street;  
thence West along the North line of Fir Street to the East line of 18<sup>th</sup> Street;  
thence North along the East line of 18<sup>th</sup> Street a distance of 181 feet, more or less, to a point 174 feet South of the Southwest corner of Lot 6, "BEL-AIR MANOR FOURTH ADDITION," as per plat recorded in Volume 10 of Plats, page 33, records of Skagit County, Washington;  
thence East parallel with the South line of said Lot 6 a distance of 97.50 feet;  
thence North to the true point of beginning;

EXCEPT that portion deeded to the City of Mount Vernon by deed recorded July 1, 1993, under Auditor's File No. 9307010054, records of Skagit County, Washington.

Situate in the City of Mount Vernon, County of Skagit, State of Washington.

