



Skagit County Auditor
11/24/2015 Page

1 of 18 11:33AM
\$359.00

Emergent

WHEN RECORDED RETURN TO:

WASHINGTON STATE HOUSING FINANCE COMMISSION
ATTN: MICHAEL DILL
1000 SECOND AVENUE, SUITE 2700
SEATTLE, WA 98104-1046

Chicago Title Insurance Company

425 Commercial Street, Mount Vernon, Washington 98273 620025420

DOCUMENT TITLE(S)

1. TRANSFER AND ASSUMPTION AGREEMENT

REFERENCE NUMBER(S) OF DOCUMENTS ASSIGNED OR RELEASED:

200603210147 AND 200407300161

GRANTOR(S):

1. MOUNT VERNON ARBOR PARK LLC
- 2.
- 3.

GRANTEE(S):

1. MOUNT VERNON ARBOR PARK LLC
- 2.
- 3.

ABBREVIATED LEGAL DESCRIPTION:

PTN NW SW 21-34-4 AND LOTS 7, 8, 9, 15, 16 AND 17, RIDGEWOOD 2ND ADDITION

Complete legal description is on page 18 of the document

ASSESSOR'S PROPERTY TAX PARCEL ACCOUNT NUMBER(S):

340421-3-014-0009

Complete tax parcel numbers are on page 2 of the document

(sign only if applicable) I am requesting an emergency nonstandard recording for an additional fee as provided in RCW 36.18.010. I understand that the recording processing requirements may cover up or otherwise obscure some part of the text of the original document.

Signature Melodie Denossett for Megan Packwood

This cover sheet is for the County Recorder's indexing purposes only. The Recorder will rely on the information provided on the form and will not read the document to verify the accuracy or completeness of the indexing information provided herein.

AFTER RECORDING RETURN TO:

Washington State Housing Finance Commission
Attn: Michael Dill
1000 Second Avenue, Suite 2700
Seattle, Washington 98104-1046

TRANSFER AND ASSUMPTION AGREEMENT

Purpose: This document is being recorded to maintain the terms of the tax credit and bond regulatory agreements between Transferor and the Washington State Housing Finance Commission.

Current Owner/Transferor: Mount Vernon Arbor Park LLC, a Washington limited liability company

Proposed New Owner/Transferee: Mount Vernon Arbor Park LLC, a Washington limited liability

Legal Description: Ptn NW Quarter of the Southwest Quarter of Section 21, Township 34 North, Range 4 East W.M. and Lots 7, 8, 9, 15, 16 and 17, Ridgewood 2nd Addition.

Additional Legal on Page A-1

Assessor's Property Tax Parcel/Account Number(s): 340421-3-014-0009; 340421-3-017-0303; 4337-000-008-0008; 4337-000-007-0009; 4337-000-017-0007; 4337-000-015-0009; 4337-000-009-0007; 4337-000-016-0008

Reference number(s) of documents being assigned or related documents: 200603210147 and 200407300161

TRANSFER AGREEMENT
Arbor Park Apartment Homes OID #04-84A
Washington State Housing Finance Commission
Tax Credit and Bond Regulatory Agreements

THIS TRANSFER AGREEMENT ("Agreement") is entered into as of November 23rd, 2015, by and among the **WASHINGTON STATE HOUSING FINANCE COMMISSION** (the "Commission"), a public body corporate and politic and **MOUNT VERNON ARBOR PARK LLC**, a Washington limited liability company ("Transferor") and ("Transferee").

WHEREAS, the Commission and Transferor entered into a Regulatory Agreement (Extended Use Agreement) (the "Tax Credit Regulatory Agreement") dated February 16, 2005, and recorded March 21, 2006, in the official public records of Skagit County, Washington, under Auditor's File No. **200603210147** affecting that certain property described Exhibit A (the "Property"), in which Transferor agreed to own and operate such Property and 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 Commission's low-income housing tax credit program (the "Program");

WHEREAS, the Commission and Transferor also entered into a Regulatory Agreement dated July 1, 2004, and recorded July 30, 2004, in the official public records of Skagit County, Washington, under Auditor's File No. **200407300161** (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 was designated by the Governor of the State of Washington as the sole housing credit agency authorized to allocate the federal low-income housing tax credit (the "Credit") for residential rental buildings located in the state of Washington, in accordance with Section 42 of the Code;

WHEREAS, Transferor intends to transfer all of its rights, title and interest in the Project including the Property and improvements thereon through a sale of its membership interests in Transferor (the "Transaction"); and

WHEREAS, following the sale, the Transferor will remain the same, but the membership interests within the Transferor will have changed, including the identity of the managing member; and

WHEREAS, the Commission requires the execution of this agreement to evidence the Transaction and the obligation of the Transferee to assume the responsibilities of the Transferor under the Tax Credit Regulatory Agreement and Bond Regulatory Agreement.

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, arising on or after the date hereof.
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, arising on or after the date hereof.
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.

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.

This Agreement shall be effective on its dated date.

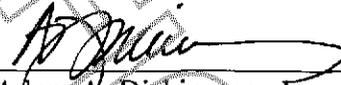
[SIGNATURES FOLLOW]

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

TRANSFEROR:

MOUNT VERNON ARBOR PARK LLC,
a Washington limited liability company

By: DH&G Properties, LLC
its managing member

By: 
Name: Adam A. Diskin, member

By: _____
Name: Russell Hirsch, member

By: Hearthstone Housing Foundation
its managing member

By: _____
Name: Coco Vasquez, Executive Director

TRANSFeree:

MOUNT VERNON ARBOR PARK LLC,
a Washington limited liability company

By: PCMFm, LLC, a Utah limited liability company,
its manager

By: _____
Jeff Burningham, Manager

By: _____
Jeff Danley, Manager

By: _____
Jamie Dunn, Manager

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By: _____
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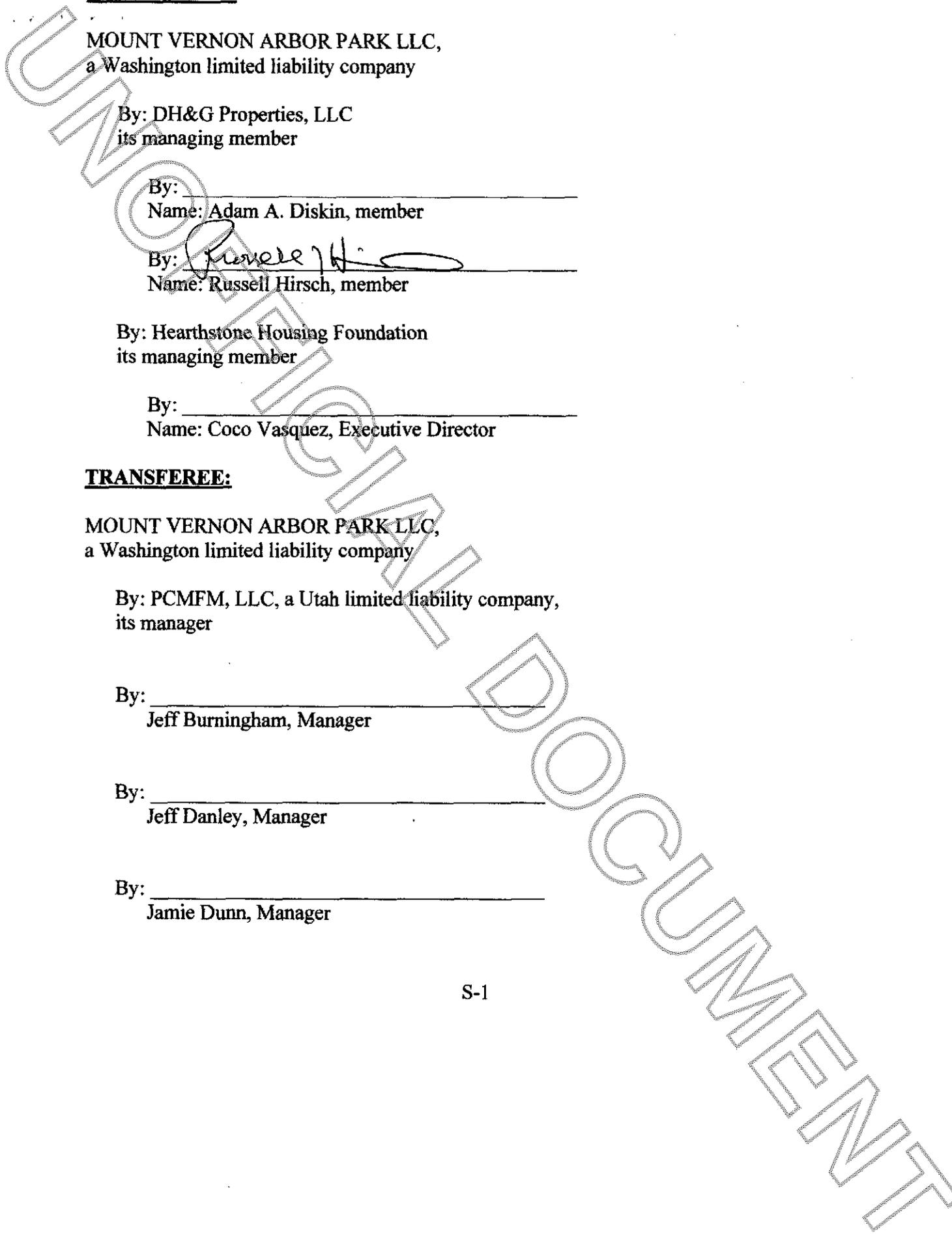
MOUNT VERNON ARBOR PARK LLC,
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By: PCMFm, LLC, a Utah limited liability company,
its manager

By: _____
Jeff Burningham, Manager

By: _____
Jeff Danley, Manager

By: _____
Jamie Dunn, Manager



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By: PCMFm, LLC, a Utah limited liability company,
its manager

By: _____
Jeff Burningham, Manager

By: _____
Jeff Darley, Manager

By: _____
Jamie Dunn, Manager

**WASHINGTON STATE HOUSING
FINANCE COMMISSION**

By: 

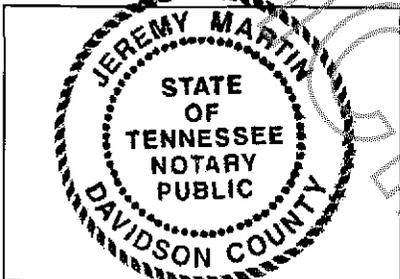
Name: Kim Herman

Its: Executive Director

STATE OF Tennessee)
) ss.
COUNTY OF Davidson)

I certify that I know or have satisfactory evidence that ADAM A. DISKIN is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the manager of DH&G Properties, LLC, the outgoing managing member of MOUNT VERNON ARBOR PARK LLC, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: November 18, 2015.



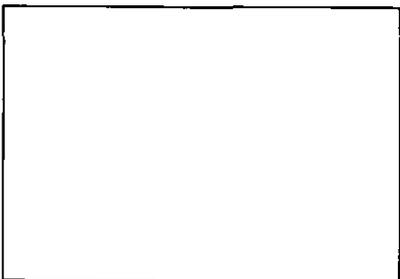
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Jeremy Martin
Notary Public
Print Name Jeremy Martin
My commission expires 03/07/2017

STATE OF _____)
) ss.
COUNTY OF _____)

I certify that I know or have satisfactory evidence that RUSSELL HIRSCH is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the manager of DH&G Properties, LLC, the outgoing managing member of MOUNT VERNON ARBOR PARK LLC, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: November ____, 2015.



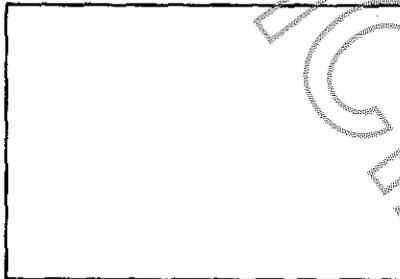
(Use this space for notarial stamp/seal)

Notary Public
Print Name _____
My commission expires _____

STATE OF _____)
) ss.
COUNTY OF _____)

I certify that I know or have satisfactory evidence that ADAM A. DISKIN is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the manager of DH&G Properties, LLC, the outgoing managing member of MOUNT VERNON ARBOR PARK LLC, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: November _____, 2015.



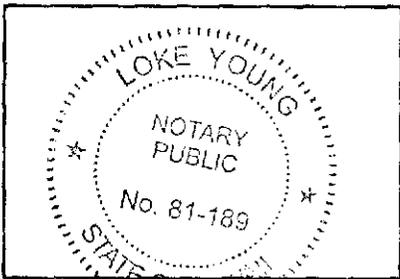
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Notary Public
Print Name _____
My commission expires _____

STATE OF Hawaii)
) ss.
COUNTY OF Honolulu)

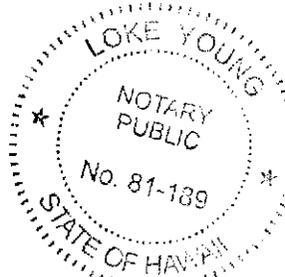
I certify that I know or have satisfactory evidence that RUSSELL HIRSCH is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the manager of DH&G Properties, LLC, the outgoing managing member of MOUNT VERNON ARBOR PARK LLC, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: November 17, 2015.



(Use this space for notarial stamp/seal)

Loke Young
Notary Public
Print Name Loke Young
My commission expires 5/29/2018



N-1

Document Date: Undated # Pages: 14
Notary Name: Loke Young First Circuit
Doc. Description: Transfer & Assumptive Agreement
Loke Young 11/17/15
Notary Signature Date

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of **California**
County of **Orange**

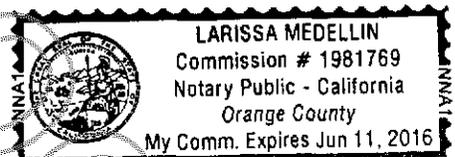
On 11/17/15 before me, **Larissa Medellin, Notary Public**, personally appeared **Socorro Vasquez**, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity, and that by her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct

WITNESS my hand and official seal.

Signature Larissa Medellin

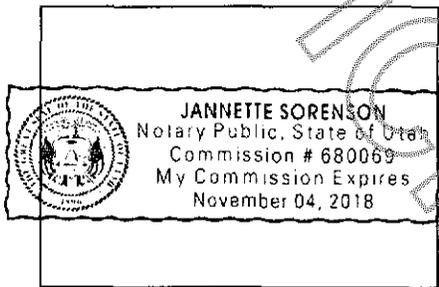
(Seal)



STATE OF Utah)
) ss.
COUNTY OF Utah)

I certify that I know or have satisfactory evidence that Jeff Burningham is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the Manager of PCMFM, LLC, the Manager of MOUNT VERNON ARBOR PARK LLC to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: November 11, 2015.



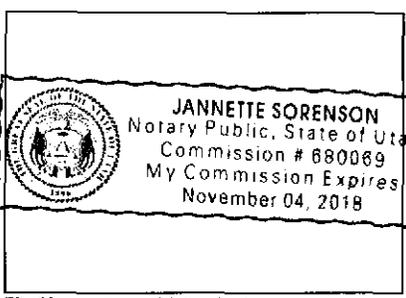
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Jannette Sorenson
Notary Public
Print Name Jannette Sorenson
My commission expires 11-04-2018

STATE OF Utah)
) ss.
COUNTY OF Utah)

I certify that I know or have satisfactory evidence that Jeff Danley is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the Manager of PCMFM, LLC, the Manager of MOUNT VERNON ARBOR PARK LLC to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: November 11, 2015.



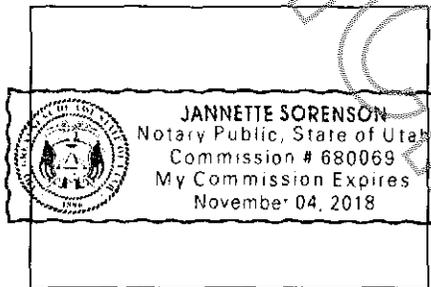
(Use this space for notarial stamp/seal)

Jannette Sorenson
Notary Public
Print Name Jannette Sorenson
My commission expires 11-04-2018

STATE OF Utah)
) ss.
COUNTY OF Utah)

I certify that I know or have satisfactory evidence that Jamie Dunn is the person who appeared before me, and said person acknowledged that she signed this instrument, on oath stated that she was authorized to execute the instrument and acknowledged it as the Manager of PCMFM, LLC, the Manager of MOUNT VERNON ARBOR PARK LLC to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: November 11, 2015.



(Use this space for notarial stamp/seal)

Jannette Sorenson
Notary Public
Print Name - Jannette Sorenson
My commission expires 11-04-2018

EXHIBIT A

PARCEL A:

The West Half of the West Half of the West Half of the Northwest Quarter of the Southwest Quarter of Section 21, Township 34 North, Range 4 East of the Willamette Meridian;

EXCEPT the West 30 feet thereof conveyed to the City of Mount Vernon for street purposes by deed dated August 10, 1977, and recorded August 19, 1977, under Auditor's File No. 863093, records of Skagit County, Washington;

ALSO EXCEPT the West 5 feet thereof deeded to the City of Mount Vernon December 21, 1993, under Auditor's File No. 9312210046, records of Skagit County, Washington.

ALSO EXCEPT that portion lying within E. Division Street.

Situated in Skagit County, Washington.

PARCEL B:

The East 300 feet of the North 20 feet of the following described parcel:

The West 330 feet of the Southwest Quarter of the Southwest Quarter of Section 21, Township 34 North, Range 4 East of the Willamette Meridian;

EXCEPT county road along the South line thereof.

Situated in Skagit County, Washington.

PARCEL C:

Lots 7, 8, 9, 15, 16 and 17, RIDGEWOOD 2ND ADDITION, according to the plat thereof recorded in Volume 11 of Plats, page 40, records of Skagit County, Washington.

Situated in Skagit County, Washington.